

August 1947

# NATION'S BUSINESS



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# Now! LIFE INSURANCE EXPERTS PROVE FORD TRUCKS LAST UP TO 19.6% LONGER!



Now, for the first time in history, a real truck buying guide is yours to use! Here is further proof, from scientific experts, that Ford Trucks last longer!

A noted firm of New York Life Insurance Actuaries studied the registration records of the five truck sales leaders for every year from 1933 through 1941. They analyzed the records of 4,967,000 trucks by the same methods they

*Certified  
Proof*

The life-expectancy of a Ford Truck is:  
13.1% longer than that of Truck "B"  
3.2% longer than that of Truck "C"  
7.6% longer than that of Truck "D"  
19.6% longer than that of Truck "E"

#### OFFICIAL ACTUARIAL CERTIFICATE

Based on the application of sound and accepted actuarial methods to the actual experience as measured by truck registrations, we hereby certify that, in our opinion, the accompanying table fairly presents the relative life-expectancy of the trucks involved.

WOLFE, CORCORAN AND LINDER  
Life Insurance Actuaries, New York, N. Y.

use to prepare human life-expectancy tables. And they found that the life-expectancy of a Ford Truck is from 3.2% to 19.6% greater than that of the other four sales leaders!

## HOW FORD LONGER LIFE CUTS YOUR TRUCKING COSTS

### Cuts Ownership Costs



Surveys show the average truck owner expects 6 years' use from his vehicle. The life-expectancy of the average Ford Truck is 10.18 years. Four extra years of truck service would cut average yearly ownership cost 40 per cent!



### Bolsters Trade-in Value

Used truck buyers buy unused mileage. Because Ford Trucks last longer, they offer more unused mileage. More Ford Trucks in use today than any other make proves wider user acceptance, too!



### Saves Money on Repairs

Longer truck life is evidence of greater durability, which reduces frequency of repairs. Ford Truck service facilities, "just around the corner—everywhere," help cut maintenance costs.

**MORE FORD TRUCKS IN USE TODAY THAN ANY OTHER MAKE!**



# Nation's Business



PUBLISHED BY  
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VOL. 35

AUGUST, 1947

NO. 8

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# About Our AUTHORS

**J**UST recently **RICHARD FRY**, financial editor of the Manchester (England) *Guardian*, toured the United States. On completion of his two months' visit, in the course of which he visited as many places and as many factories as time would allow, he wrote his opinions for *NATION'S BUSINESS*. In "Our Fears Puzzle a British Visitor," he records his impressions—the things that interested him most, the things that surprised him. In addition to writing for the *Guardian*, Mr. Fry is a frequent contributor to *Scope*, a magazine for industry published in London.

**C. LESTER WALKER**, author of "So Everybody's Just Crazy About You," has tried his hand at many occupations, including: magazine editor, public relations and advertising man, accountant, canning company executive and war correspondent. However, before engaging in any of these jobs, he taught English at the College of Yale in Changsha, Hunan Province, China. Somehow China has long held a fascination for Walker.

During the war he returned and spent six months there for *Harper's Magazine*. Now, he wants to visit there once more—before he reaches age 70.

Another wish—though not connected with the Orient—is to raise sheep on his three acres in the Litchfield hills of Connecticut, just to keep the goldenrod down.

Mr. Walker is a free-lance magazine writer at present. His articles have appeared in *NATION'S BUSINESS* and in many other leading national publications.

**JOE WHITLEY** and Doc Henington, the million dollar failure about whom he has written, have one thing in common. They both hail from Wolfe City, Texas. It was there that Whitley came to know Doc and his salesmen, and to observe the Doc's early embarrassment and eventual triumphs. When the war came, Whitley, like many another young writer, took time out from his career to serve in the armed forces. Aside from time spent at Randolph Field, journalism was his main assignment.

He was a correspondent with both the Seventh and Twentieth Air Forces in the Pacific, and one

of the first American soldiers to reach Japan after the surrender. Out of these war experiences he wrote, in collaboration with Clive Howard, "One Damned Island After Another," which became a best-seller. Mr. Whitley is now in New York doing free-lance writing.

Feature stories about the District of Columbia are not new to **JACK J. DALY**. He's been pounding them out for years. In fact, he's covered about everything there is to cover in Washington, including all the governmental departments. Daly broke into journalism while still in college by writing sports for various newspapers. Then, with sheepskin in hand, he moved over to the *Washington Post* as dramatic editor—his first full-time job as a newsman. When Hitler rose to power in Germany in the 1930's, Daly was there as correspondent for North American Newspaper Alliance. Returning to this country he joined the *Washington Star* as a feature writer, and soon after left to do free-lancing. He's been at it more or less ever since.

The author of "Why Humans Act Like Golfers," **WIFFY COX**, was born in Brooklyn, adjacent to



WASHINGTON POST PHOTO

the sixth hole of a golf course. He has lived on a golf course pretty much ever since. Today, at 49, he is superintendent of Washington's Congressional Country Club. However, he has been a caddy, caddy master, groundsman, clubmaker, assistant pro and pro.

For 12 years he plied the tournament trail, winning many and finishing well up in the National Open. In 1931 he was a member of the United States Ryder Cup Team.

To be a successful golf pro, Wiffy says, one should be a teacher, player, business man, promoter, philosopher, agronomist, horticulturalist, psychologist, salesman, weather expert, diplomat, and have a knowledge of current events.

That's putting it MILDLY!



Zounds! WIVES I changeth often, but NOT my tobacco! It doth smoke so smooth, so sweet, so mellow—

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'Tis the Pipeline to Perfection!  
'Tis the absolute monarch of tobaccos. A blend of the world's rarest and most fragrant! So cool! So pleasantly moist!



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"Something caught my eye in the wastebasket . . . a trade journal I had flipped through and discarded. It was turned up to an ad which promised a 46% saving in material handling costs. When they talked about cutting my handling costs that much, well, I wanted to be shown.

"Literature told how this saving could be accomplished simply through the use of a bright, shiny orange and black electric truck called 'Transporter' . . . the miracle truck that lightens life's loads. It was an impressive story. As a result I ordered one, and an ATCO Specialist showed up with it to demonstrate what they claimed.

"He piled 6000 pounds of our most unwieldy product on it. Then asked for one of our stenographers . . . and she promptly walked off with the load as easy as she'd powder her nose. Her

thumb pressed a button, her hand gently guided it. That's all there was to it. Husky truckers accustomed to a three-man operation moving similar loads were amazed . . . couldn't wait to try this wonder truck that meant for them an end to back-breaking, gruelling toil.

"I was more than sold on Automatic Transporters. They have cut our material handling costs 46% . . . a solid \$24,480.00 saved—the equivalent of \$244,800.00 worth of increased volume on a 10% profit basis. That's the money-saving, profit-making opportunity I found in my wastebasket."

Such savings may be duplicated many times over during the life of Transporters . . . may be multiplied many times depending on the size of your material handling operation. Mail the coupon for complete facts.

Remember: Only AUTOMATIC Makes the TRANSPORTER



\*Case 10 in "Automatic Savings Parade"

## AUTOMATIC TRANSPORTATION COMPANY

DIV. OF THE YALE & TOWNE MFG. CO.

89 West 87th Street, Dept. M-7, Chicago 20, Ill.

Please mail me, without cost or obligation, complete facts about AUTOMATIC TRANSPORTER, the miracle electric truck . . . plus proof that it has cut handling costs in half.

☐ Have an ATCO Material Handling Specialist call.

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WHEN THE AUTUMN LEAVES ARE FALLING

Enjoy the golden days of Quebec's Indian Summer—an ideal season to hunt, to fish or to wander through the beauties of Quebec's hills and valleys. Comfortable, modern inns and hotels in picturesque locations, welcome you with traditional French-Canadian hospitality. For maps and booklets, write PROVINCE OF QUEBEC TOURIST BUREAU, QUEBEC CITY, CANADA.

Write the Provincial Publicity Bureau, Parliament Bldg., Québec City, for information concerning the unsurpassed industrial opportunities in our province.

**LA PROVINCE DE**  
**Québec**

# NB Notebook

## Fur prices

BUSINESS historians will probably come up with the verdict that our immediate postwar period produced some rare oddities. Thus, if given a guess about what New World article would first appear (from the many promised during the war), who would have picked the ball-point pen?

With all the loose money that was around last year, who, again, would have imagined that fur prices would take the nose-dive they did? This is the month of August fur sales (and exactly why, we do not know). Fur prices slumped and then regained some of their loss. The trade believes values are moderate enough, and especially that styles are new enough, to bring the women in.

## Business chances

RETURNS from the second survey of consumer finances sponsored by the Federal Reserve Board of Governors have just been published and it becomes possible to check some of the answers to the first inquiry. The original poll attracted wide interest because it apparently showed that 60 per cent of the liquid asset holdings of the population were concentrated in the hands of only ten per cent and that 40 per cent of the population held only one per cent.

Purchasing plans were sounded out in this first survey and the second canvass made earlier this year reveals that, on an over-all basis, the data for 1946 were "right on the button." For all income groups 11 per cent expected to buy automobiles last year and they did. The expectation on a selected list of durable goods was 28 per cent and that was the result. For obvious reasons, the house purchase percentage slipped. Eight per cent expected to buy and seven per cent actually did.

For 1947 planned purchases in percentages run this way, with actual 1946 purchases shown in parentheses: Automobiles 12 (11); durables 21 (28); and houses 6 (7).

Better than half the population (55 per cent) were looking forward early this year to "good times" for the next year or so. Some 46 per cent figured that prices would go down. So it can be assumed reasonably that people think there is some connection between lower prices and good business.

This second survey was made for the Federal Reserve by the Survey Research Center of the University of Michigan and again the authorities warn that the methods and the findings are experimental and must be tested further.

## American system

PALLETS and the fork-lift truck explained why we were able to move such vast amounts of material so swiftly during the war. If the handling had clogged up, our remarkable production record might never have been made.

Just to prove that we are never satisfied with "good enough," along comes another innovation. The ordinary pallet, which holds the load, can be lifted from only four sides. A Michigan manufacturer is now producing a new type that can be handled from eight directions, the corners as well as the sides.

A good example, may we suggest, of what is meant by the American system—better, bigger and faster.

## Gifts to colleges

IN A SURVEY of corporation gifts the National Industrial Conference Board came across what is probably a sound reason why companies don't make donations to colleges and universities except as research grants. If they gave to one institution, wrote one execu-



tive, they could expect to have the loyal alumni of other colleges among their directors and stockholders quickly on their necks.

Imagine what Mr. Harvard would say across the directors' mahogany when he learned of a gift to, let us say, Yale!

However, this objection might be overcome by some pooling arrangement on the Community Chest idea. Several replies to the survey emphasized the stake free enterprise has in preserving freedom of thought in the privately-supported institutions. Leaning too heavily on government aid could impair this freedom.

### 15-1 for brand

A WHILE back it was indicated here that branded merchandise would get a much better play from the country's big stores. Now it is possible to report many examples.

The Hecht Company of Washington has issued a Blue Book of Famous Brand Names, classified by the merchandise which the store carries. Other retail concerns are breaking out in advertising copy with lists of the nationally known lines that they handle. Lit Brothers of Philadelphia will extend its selling of brands.

Harold W. Brightman, Lit president, has explained that the brands sell faster and thus reduce selling cost. A Simmons mattress outsold the same product under a fictitious label by 15 to 1. Against a \$5 price reduction it outsold its mate by 8 to 1 and managed to hold almost even at a \$10 disadvantage.

Quality was the first reason for adopting more brands. The stores wanted customers to forget war and postwar ersatz. Now it is believed that lower selling costs ought to make brand adoption stick.

### War on weeds

AFTER watching military flame-throwers in action, Col. Price C. McLemore of Waugh, Ala., invented a weed destroyer for the farm.

Irl A. Daffin, president of the New Holland Machine Co., New Holland, Pa., which makes the implement, told members of the American Society of Agricultural Engineers that Colonel McLemore has cut the labor force on his farm at Waugh from 65 to four men.

Through mechanization, the Colonel will raise 300 acres of cotton, 100 acres of oats, 100 acres of corn and 100 acres of grain sor-

(Continued on page 12)



## hundred pails a day

Water works statistics indicate that the average family uses about 1 1/4 tons of water (300 gallons) per day, delivered through convenient faucets. For the household without the advantage of public water supply, that would mean lugging one hundred 12-quart pailfuls, weighing 25 pounds each, from pump to house. In case of

fire, it would take over 300 pailfuls a minute to equal the thousand gallons a minute from modern firefighting equipment.

*If your community is planning a public water supply system, remember that over 95% of the pipe used for water distribution mains is cast iron pipe that "serves for centuries."*

Value your public water service for more than convenience. It guards your health, life and property. It delivers a ton of pure water right to your faucet at a cost of less than a dime (national average).

This cast iron water main has served the City of Richmond, Va. for 115 years.



# CAST IRON PIPE

SERVES  FOR CENTURIES

LOOK FOR THIS MARK

IT IDENTIFIES CAST IRON PIPE

**This is the sign of America's  
only coast to coast and Canadian  
driv-ur-self system**



It's the sign thousands look to for dependable, courteous car rental service for pleasure, or business . . . salesmen, for example, who make more calls, faster, conveniently, economically, in 250 cities in the United States, and Canada. Great numbers of business and professional men, too, and hosts of men and women who rent fine new cars from Hertz to drive for pleasure. Learn how easily you can enjoy the many benefits offered by this great service.

Call your local Hertz station listed in the telephone classified section for complete information about the Hertz easy rental plan. For FREE Directory of all Hertz stations through-

out the United States and Canada, write Hertz Drivurself System, Dept. 787, Pontiac, Michigan.

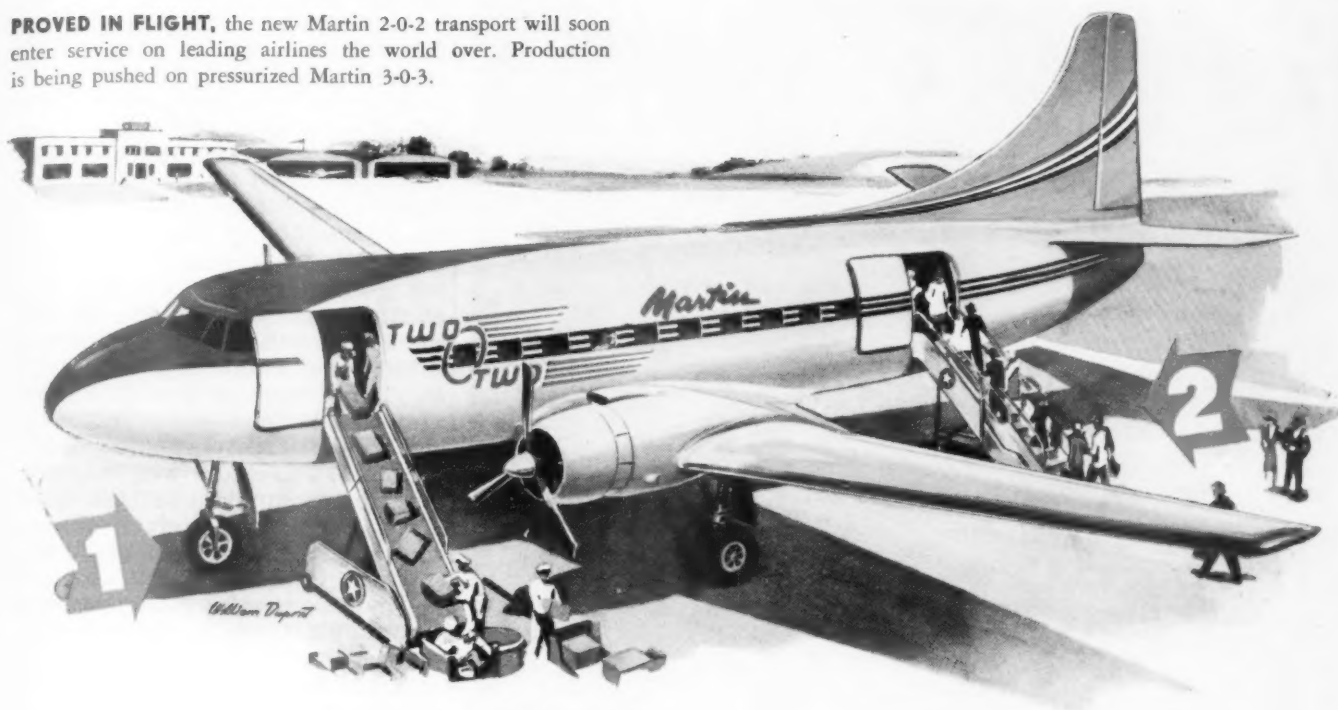
### *Important Announcement*

*The Hertz Drivurself System has under way a Plan of Expansion to serve more cities and towns. Licenses are being awarded to qualified local interests to operate in the Hertz System, the world's largest drivurself organization. Write Hertz Drivurself System, Dept. 787, Pontiac, Michigan, for complete information about this unusual profit opportunity.*

**YOU CAN RENT A NEW CAR FROM HERTZ AS EASY AS A..B..C**



**PROVED IN FLIGHT**, the new Martin 2-0-2 transport will soon enter service on leading airlines the world over. Production is being pushed on pressurized Martin 3-0-3.



## Is Your Company Overlooking These Two Ways to Cut Costs and Build Sales?

Look at these two ways in which Martin airliners will cut costs and build sales. Then think of them in relation to your industry, your company. You'll see why it will pay to travel and ship by Martin transport!

**1**

### WHY IT PAYS TO SHIP BY MARTIN TRANSPORT

Here's why so many cost-minded businessmen will ship by Martin planes. With the factory only hours away, inventories may be lowered . . . replacement parts reach customers quickly. Fresh fruit, vegetables, flowers, sea food, other perishables may be shipped in or out of season with lower refrigeration costs, no crating, less spoilage. Air-fresh commodities bring top prices, too. There's a powerful merchandising and advertising story in clothes rushed from style

centers—newspapers and magazines flown to distributors—other products sent "By Air."

**2**

### WHY IT PAYS TO TRAVEL BY MARTIN TRANSPORT

Via speedy new twin-engine Martin airliner, salesmen will cover more territory, make more calls and still enjoy weekends at home. Samples, models can go with salesmen. Non-productive travel time is reduced and sales or maintenance men can spend more time in customers' offices or shops. Contacts between top executives are multiplied, markets expanded, needed recreation nearer than ever before . . . and you arrive at your destination refreshed, immaculate when you travel by Martin airliner. **THE GLENN L. MARTIN COMPANY, BALTIMORE 3, MARYLAND.**

**THE AIRLINES GAIN YOU TIME . . . TIME . . . TIME—and Time Means Money to Business**

AN INTERNATIONAL INSTITUTION  
**• MANUFACTURERS OF:** Advanced military aircraft • Aerial gun turrets • Guided missiles • Outstanding commercial planes for both passenger and cargo service • Marvinal resins (Martin Plastics and Chemicals Division)  
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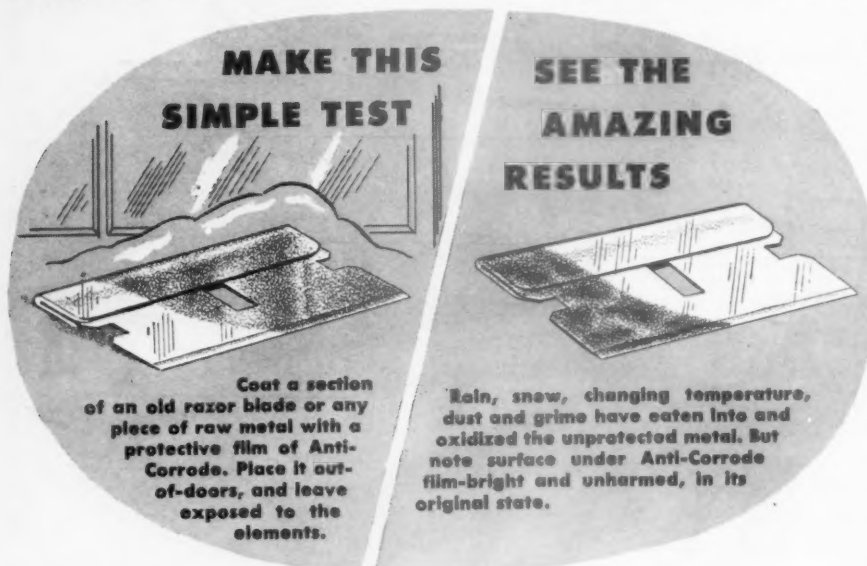
**Martin**  
**AIRCRAFT**

Builders of 'Dependable



Aircraft Since 1909

# How to PREVENT Corrosion



Cities Service Anti-Corrodes are safe rust and corrosion preventives that bring amazing results. They are reliable safeguards against corrosion of metals in any form or state of finish—whether in storage or in transit. These Anti-Corrodes form a tenacious, durable film that is impervious to moisture and the more common gases prevalent in the atmosphere. And, since they contain lubricating material, they need not be removed in drawing operations. These Anti-Corrodes are made in several types to meet a wide range of service conditions. They are economical, easy to apply and can be removed with kerosene or any petroleum solvent.

(Available only in Cities Service marketing territories East of the Rockies.) Available in one gallon sizes only.

Mail this Coupon Today!

## THIS TEAM WILL SAVE YOU MONEY AND MATERIALS

Recently, we announced the development of Cities Service Rust Remover, and the response to our demonstration offer far exceeded expectations. Rust Remover, of course, removes rust. Anti-Corrode is designed to prevent rust and corrosion. Together, they will safeguard your equipment and production.



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Gentlemen: I would like further information on Anti-Corrode and Rust Remover for industrial use FREE OF CHARGE.

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**SERVICE**

CITIES SERVICE  
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ARKANSAS FUEL  
OIL COMPANY  
Shreveport, La.

ghums using only four men to plant, cultivate and harvest the production. According to researchers of the company, cotton can be produced with full mechanization by nine man-hours to the acre compared with 235 hours by hand.

## Conveyors

CONVEYOR belt operation is moving from the production field into distribution. The object is the same, to cut costs of handling.

The new Foley Bros. store in Houston, Texas, a unit of Federated Department Stores, will have stockrooms right next to selling counters. Conveyors will keep the stockrooms supplied so that sales clerks can immediately replenish counter shortages. In turn the conveyor system will be used to move merchandise from the unloading platforms to the receiving rooms.

Thus, the flow of goods to the customer is running on a belt just as it does to the worker in a big automobile plant. And, if one agrees that an escalator is just another form of conveyor—the customer is coming to the goods on a belt, too.

## That war is over

REMEMBER the days when a customer was only a customer but a sales person was a pearl beyond compare? No need to point out that the shopping climate is changing as sales grow harder to get.

Stores still cannot afford to go at this business of restoring courtesy in a hard-boiled manner even if that was the right way to do it, which it obviously isn't. "Be polite, damn you!" is not recommended as a correct formula even when help is plentiful and union organizers are somewhere else.

Retailers are using various ingenious devices to restore courtesy. The Hub of Baltimore, for instance, placed a number of "golden phones" around the store to be used by customers who wished to report the right kind of treatment. Every day the winning department received a basket of flowers.

The nice twist to this contest was that the department voted at the end of the day upon its choice of a local institution, hospital or otherwise, to receive the gift.

## Trade with Japan

PRIVATE trade with Japan opens up the middle of this month for a selected list of business men. The world quota is 400, of which 102 will



be from the United States. They will be permitted to buy a fairly wide list of articles, such as chinaware, novelties, pearls, rayon fabrics, electrical supplies and household goods.

The emphasis will be upon Japanese exports. The goods to be sold to the recent enemy country will be limited, so officials say, to necessary food and materials or equipment required for production.

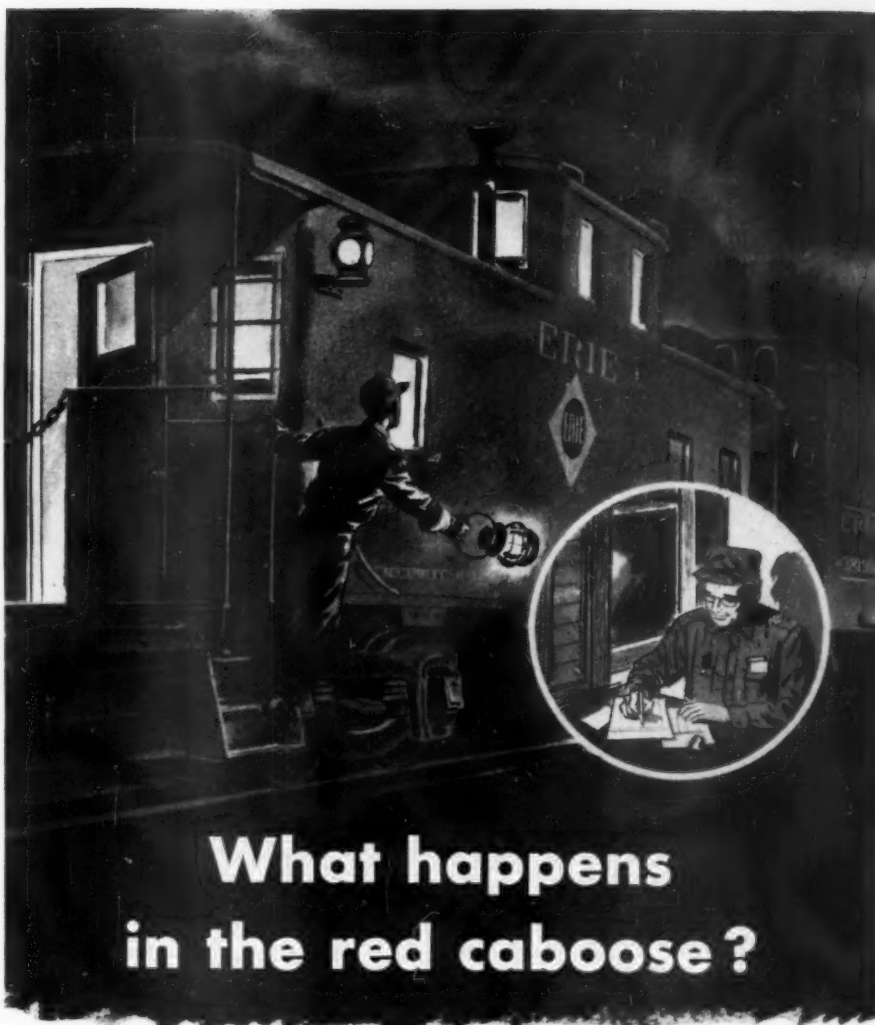
The exchange problem will be surmounted by having buyers negotiate the purchase price in dollars with General McArthur's agency. The Japanese sellers will negotiate similarly on a yen basis with the Japanese Board of Trade. Finally a pattern of exchange will be fashioned in this way, it is hoped.

American producers who have unhappy recollections of Rising Sun competition when that country embarked on its plan for conquest of the East, will be reassured to know that the road back for the Nipponese, in the opinion of experts, looks long and hard and a balanced home economy is the objective.

#### Hot weather item

ANOTHER war-scarce article, the electric fan, is back this summer, and mighty welcome, too. Some manufacturers of electrical products are producing this oldest of household electric appliances at a volume 50 per cent prewar.

Lots of new things are being learned about fans and the importance of air circulation to health and happy people. Factories, offices, stores and classrooms are benefiting by this new knowledge. So is the housewife who discovers that a fan will thaw out her frozen food in one-third the time it would take at room temperature.



## What happens in the red caboose?

**Y**OUR passenger train conductor is a familiar figure . . . but did you ever think about a *freight train* requiring the services of a conductor? From his "office" in the red caboose, the freight train conductor directs the handling of as many as 100 freight cars that make up his train. He makes certain that cars are dropped from the train at their proper destination and others picked up, that the products they carry arrive safely and in good condition. The Erie Freight Conductor gets a quick, concise picture of his train from

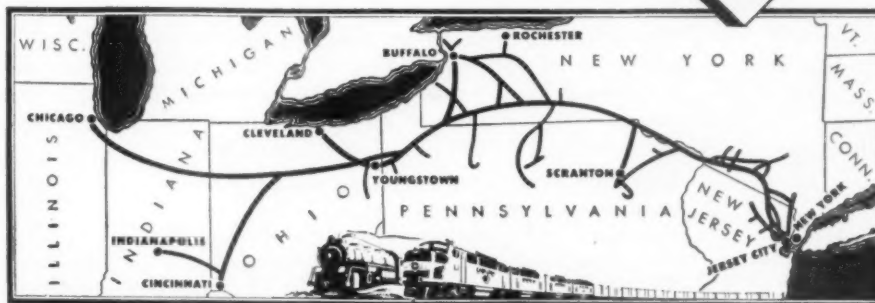
a teletyped control sheet. This list tells him the contents, consignee and destination of each car. The same information is flashed by teletype to stations ahead, and to a central office in Cleveland.

With this teletype control system, the Erie can quickly tell shippers the present location and scheduled arrival of their shipment.

Modern, up-to-date methods such as this are responsible for the Erie's reputation among shippers everywhere for efficient handling, dependable service.

## Erie Railroad

SERVING THE HEART OF INDUSTRIAL AMERICA





1. Bauxite from South American deposits is unloaded and stockpiled at the Baton Rouge plant of The Permanente Metals Corporation, where it is converted to *alumina*. The plant, located on the Mississippi River,

comprises 34 buildings on a 318-acre river site, is capable of turning out one billion pounds of alumina per year. It requires four pounds of bauxite ore to make two pounds of alumina.

# KAISER ALUMINUM

FROM ALUMINA TO FINISHED ROLLING, PERMANENTE METALS CONTROLS EVERY STEP IN THE PRODUCTION OF KAISER ALUMINUM, ASSURING QUALITY PIG, INGOT, PLATE, SHEET, STRIP, AND ROOFING.

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The story here takes you from the delivery of bauxite at Baton Rouge to the rolling of finished aluminum at Permanente Metals' Spokane mill, with capacity of 288 million pounds yearly.

But no pictures and text can convey to you the eagerness of this young-minded organization to serve the buyers of aluminum . . . to tackle the toughest problems . . . to take its place as a vital factor in this age of light metals.

Kaiser Aluminum is a product second to none—not merely as a *substitute* for other metals and materials, but as their *successor* in the scores of applications where aluminum can add something new: lightness, strength, workability, resistance to corrosion, beauty.

And this aluminum is here *today*—ready to meet your requirements!



► DECISIONS NOW IN THE MAKING on European issues will have direct bearing on some U.S. businesses, indirect bearing on many.

So, let's take a look:

► EUROPEAN RECOVERY PLANS will center on a revitalized industrial Germany.

Reconstruction of Europe's traditional machine shop will take place throughout U.S., French, British zones—which contain 60 to 70 per cent of Germany's heavy industry.

That will require considerable revision of policy, both here and in France.

But here's top-level thinking on European recovery:

For generations Germany has been major supplier of metals, machines, structural pieces, chemicals, other basics and finished products to her neighbors.

Germany has the know-how, the experienced workers and—to an extent much greater than is generally known—the plant facilities.

Germany also has the greatest need, the farthest to go, in general economic recovery.

Under present production level (35 to 40 per cent of capacity) Germany continues as greatest outright charity load on Allies.

So re-establishing Germany's industry would have double effect—

It would provide economic recovery for Germany itself.

And it would enable Germany to carry a part of the production load necessary for recovery in the rest of Europe.

If Germany is kept instead at her present semipastoral level—

Lack of her normal prewar production creates industrial unbalance in Europe that must be corrected before general recovery may take place.

This would mean reallocating Germany's industrial lines to other countries—a long slow process that would delay overall recovery for years.

► DON'T ADD THE COST of a European recovery program to present record-breaking totals of U. S. exports.

Recovery requirements would widely overlap present overseas shipments.

Main idea in plans now being laid would be to organize, increase effectiveness of shipments to Europe, rather than greatly expand them.

One high-ranking government economist contends that U. S. exports at end of 1947 will be considerably below present \$18,000,000,000 per year rate, including Marshall plan.

His reasoning:

Present exports include large volume

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of luxury goods going to Canada, Mexico, South America.

(Mexico last month stopped imports of consumer goods from U. S., to save dollars.)

Also included are necessity lines not shipped abroad until peaks have been knocked off U. S. demands.

Luxury buying will taper off sharply, just as U. S. luxury spending began its taper-off year ago.

Necessity shipments to western hemisphere countries will steady down after first big bulge.

Thus total exports are due to drop soon.

► EUROPE'S NEEDS WILL CONFLICT with U. S. domestic demand in several lines.

They also will absorb some presently unused production capacity.

Most immediate need is for coal to fuel Europe's industrial fires, create goods and produce jobs.

Greatest over-all need (aside from food) is for mining machinery, rail and public utilities equipment.

Tightest shortage will be met in public utilities equipment.

Most manufacturers report production sold out to 1952 to the American power industry.

Europe's need of mining equipment collides head-on with big U. S. demand, swelled by urgent orders from operators seeking further coal mine mechanization because of the Lewis contract terms.

Also conflicting with U. S. needs will be European requirements for industrial building materials.

U. S. has plenty of capacity to produce steam locomotives needed in Europe.

That's because more than 90 per cent of locomotives on order for U. S. roads are diesel.

U. S. can supply quickly machine tools from war surplus stocks, or from the productive capacity made idle by those stocks.

Also conflicting is Europe's need for farm machinery. An attempt may be made to produce it in Europe.

Minor conflicts will be felt in consumer goods as some are shipped overseas to provide an incentive to work.

► ENGLISH MONEY HELPED build America's great transcontinental railroads. Eng-

## MANAGEMENT'S Washington LETTER

land even made the rails. And made money on the deal.

So why can't American private industry step into a ready-made market in Europe?

Why, for example, can't big motor makers open plants in France or Germany, create jobs and payrolls, produce needed goods?

They can, and they may. But not now. There are too many questions concerning property ownership and socialism.

Throughout Europe land titles are in doubt.

Many records are missing, casualties of the war, bombed or burned.

In Germany, property seized from Jews and other minority members now is claimed by former owners or their heirs.

In France, property of war criminals has been seized. Final disposition and title remain clouded.

Throughout western Europe center-of-the-road government is socialist.

The trend is toward socialized industry.

Investors might at any time find their plants socialized, on terms set by the national government.

► FARMERS GROW FAT in many western European areas while city dwellers go hungry.

Food problem is one of distribution as well as volume.

When a farmer's grain ripens he finds he can buy nothing he wants at the market place.

He hasn't enough faith in the money to sell for cash and save.

So, instead of going to market, he feeds grain to his animals.

When time comes to market animals he faces same situation.

So the farmer and his family eat more meat, more of their other produce, than ever before.

Many sell only what they cannot eat, trade or store.

Solution is to get consumer goods on the market to provide incentive to sell.

► RUSSIA WILL CONTINUE to try in every way possible to obstruct, delay rebuilding Germany, the rest of western Europe.

Economically healthy, prosperous countries along borders of Russian buffer states would create unrest, internal problems among Red satellites.

► PRINTING PRESS MONEY can be created by people, as well as by governments.

People do it by buying on credit.

Consumer credit has jumped 40 per cent during the past year, now stands just under \$11,000,000,000—half a billion above the prewar peak.

Compared with current national income, other factors, present consumer credit volume is not high.

This new era of higher prices, higher accounts receivable, requires adjustment of your business finance.

It takes more cash to do the same amount of unit business you did prewar.

Many small business men are finding it necessary to borrow more from banks to finance their credit accounts.

One reports his accounts receivable at \$25,000 a year ago, \$210,000 now.

Are such accounts good? Banks aren't sure. Tipoff is in the slightly rising interest rate.

It's rising because the banks are afraid the security isn't as good as it was.

That means people (and some businesses) aren't paying their bills as promptly as they have in the past.

Check more carefully on your customers' credit. Don't accept wartime influence as ability to pay today.

► COST OF GROWING OLD is rising.

Insurance companies learned long ago that annuity holders live longer than average span. Difference is great enough to require using different mortality tables for annuitants, and for insured persons.

But the cost of carefree, secure old age is going up.

Fifteen years ago it took a total investment of less than \$11,000 to buy a straight-life annuity that would start producing \$100 monthly at 65.

Today it would cost you approximately \$15,000 to buy the same income.

Change is caused by lowered interest rates insurance companies can earn.

Rate still is dropping. Which means the cost of buying old-age income still is rising.

A number of insurance companies already have refigured their annuity rate basis from 2½ per cent income to 2 per cent.

Others are about to.

► HERE'S AN EXAMPLE of how volume can cut costs:

A manufacturer supplying parts to the automobile industry finds his materials cost up 100 per cent, labor cost up 85 per cent over 1939.

Yet his selling prices have been cut



to prewar average, and he expects to show a reasonably good profit on present production.

Here's the key: His employment total is double prewar, production three times prewar.

Tremendous increase in productivity is attributed to new manufacturing methods and processes adopted during war.

► **SCIENCE OF LABOR RELATIONS** sometimes works like this:

A New Haven manufacturer hired 600 persons in a year to keep a working force of 40 in one department.

Try as he would, he could not find cause for this high turnover.

Two months ago a local newspaper headlined news that total employment in the state had dropped 15 per cent.

The manufacturers' turnover dropped to near zero at once, has remained low.

► **SUGAR BY ANY OTHER NAME** may not be so sweet, but it serves a purpose.

Synthetic sweeteners and corn sugar were highly developed, widely distributed, during war.

Their peacetime job is to hold down the price of real sugar by threat of competition. They seem to be succeeding.

When trading was suspended in February, 1942, raw sugar price was 2.99 cents a pound.

With trading resumed this summer sugar opened at 6 cents, dropped to 5.8, hovered around 6.

Average price in May, 1920, was 20.8.

May futures selling at 5.5 indicate smart traders' belief there will be plenty of sugar next year.

► **FIRM BIDS FOR BUILDING** are reappearing. Which means building costs are dropping.

Contractors' uncertainties (most of which arose from shortages) are diminishing.

With fewer uncertainties to cover, contractors are willing to cut profit margin.

► **LUMBER GRADING AND SIZING** draw more complaints than prices among big builders.

Sloppiness in wood sizes costs more dollars than price, they point out.

Boards not carefully milled—slightly under- or oversize, wider at one end, or otherwise not uniform, take up expensive time of carpenters.

► **COMMERCIAL HELIUM USE BOOMS** sky high. But there's little chance you can get into the business.

Production of the gas this year will

## MANAGEMENT'S *Washington* LETTER

total 60,000,000 cubic feet. That's ten times 1939.

It's being used in treatment of asthma, for dilution of anesthetics, in welding light metals, in other metallurgical processes, for filling toy, weather and advertising balloons.

All of it comes from plant operated by Bureau of Mines at Exell, Texas.

There's no law to prevent you from going into helium production—except economic law.

Law of the land says Mines must produce it for other government agencies. All these needs, plus commercial, are being met at one plant. Government has three others standing by.

Helium sells for \$11 per thousand cubic feet for medical use, \$13 for commercial.

► **CURRENT BUYING TREND** is sharply clear in record-breaking sales volume of lower price chains and independents.

At same time sales lag on higher grade goods.

Most department stores will enter autumn season with lean, clean stocks.

Markdowns already have been taken in summer sales.

Above seasonal upswing in household furnishings is expected to keep up sales volume.

► **BRIEFS:** Mushrooming retail mail order house plans stores and warehouses within 24 hours (by parcel post) of every person in the U. S....Chemists have isolated 2,000 different synthetic detergents....C. Arthur Bruce of Memphis, who built the housing for mammoth Manhattan (atom bomb) project, told American Lumber Conference prefabricated housing cannot bring expected savings in peacetime building....If your local transit fare hasn't gone up, it probably will. It has in 60 cities in past 18 months....Fixtures with fluorescents for "cold" and filaments for "warm" lighting your home, store and office will hit markets in volume this fall....Final figures show steel output for first half 1947 at 42,267,320 tons. That is 15,000,000 tons above first half last year, nearly double first half of 1939....Navy finds liquid fuels made from coal, natural gas and oil shale will work in its diesel engines.

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# TRENDS



## OF NATION'S BUSINESS

### *The State of the Nation*

It seems a long time since that August evening in 1945 when final confirmation of Japan's surrender was flashed over the radio and people poured rejoicingly into the streets. Can it be only two years ago that the guns were silenced and Americans turned thankfully to the constructive work in which real happiness is found?

It is not so much the multitude of individual conversion problems which has made these past two years stretch out. The ending of the last war seems distant because, paradoxically, we have as yet been unable to find anything resembling peace. Since many are now openly talking about a third World War, we conclude that it *must* be a long time since the second ended. Instinctively one feels that such dreadful disillusionment, such complete disintegration of our high hopes, could not have come in two years.

But the calendar says otherwise. With the dispassionate accuracy of scientific measurement, it rivets our attention on the grim fact that the second anniversary of V-J Day has actually brought a new political alignment, looking in the direction of fresh hostilities.

The change which has come so rapidly is the more shocking to the average well-meaning American, both because he feels some personal responsibility for world order and because he is largely unversed in the history of power politics.

People with an old tradition of intervention, like the English, are accustomed to having yesterday's ally become tomorrow's enemy, and *vice versa*. But to turn Americans from their natural

suspicion of "foreign entanglements" it is necessary for us to fight a war as though it were a crusade. The sales technique demands not merely that the enemy be jet black but also that our allies be almost as unsullied as ourselves.

Such oversimplified propaganda was excellent in arousing enthusiasm for the defeat of the Axis. As events have demonstrated, however, it was a poor preparation for the establishment of any permanent *modus vivendi* with Soviet Russia. At no time has that dictatorship ever concealed its intention of ultimately destroying all capitalist societies, of which ours seems the most dangerous to Moscow simply because it is the most successful. But because Russia also wanted Hitler destroyed, as we did, there arose among many Americans the naive conclusion that Moscow and Washington must have much in common.

For a time they did. A mutual aversion to skunks, however, is not in itself usually regarded as a substantial basis for a business partnership.

#### **As the Kremlin Planned**

Now it is important to realize that at least three major mistakes of American policy have played into the hands of the Kremlin.

The first of these blunders was insistence upon the "unconditional surrender" of Germany. In retrospect it can be seen that this prolonged the war and unnecessarily wasted thousands of American lives. It also made the restoration of German economic life more difficult and completely obscured the need of preparing some intelligent

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postwar plan for European reconstruction along lines favorable to American interests. Unfortunately, it was only in the Russian interest that Germany should be so completely ruined as to make it easier for communism to take over.

The second blunder, of the Potsdam Agreement, completed the folly of the first. "Unconditional surrender" had forced Germany to fight to the bitter end and made it impossible for the anti-Nazi elements to overthrow Hitler. The Potsdam Agreement, by authorizing the destruction of what was left of German industry, assured the progressive deterioration now apparent in Great Britain and France. It is impossible to see how their poverty helps the United States, but it undoubtedly suits Russia to have capitalism permanently enfeebled in Western Europe.

The decision to ruin Germany, and then to make that ruin permanent in the Russian interest, can be explained, though not justified, by the bitterness of wartime passions. There is no such excuse for the third major blunder. This was to give Russia a privileged position in Manchuria and Korea, to say nothing of the Kurile Islands, in return for one week of fighting against a Japanese Government which already was suing for peace. If it can be argued that Russia was destined to become the dominant power in Europe, that made the reasons stronger for not making her pre-eminent in Asia also.

### Competition in Ideas

So, in large measure, we have only ourselves to blame for the grim outlook with respect to Russia which prevails today. The fact that the seriousness of the situation can no longer be concealed, however, has hopeful aspects.

Belatedly we begin to realize that our whole philosophy of life is threatened, far more seriously than in the case of the Nazis, by an opponent who does not rely on force of arms so much as on skillfully promoting social unrest and economic disintegration. As a result, without neglecting our physical defenses, we also are beginning to think more deeply in the field of abstract ideas. We begin to recognize that Marxism, which is openly anti-Christian, can be countered successfully only by reanimating those Christian principles which form the foundation of all our social institutions.

There is another respect in which the growing rivalry with Russia may be called invigorating. Our differences with that country are due to ideological rather than physical antagonisms. What we would like to see is a change which would install a more representative government in Moscow. They hope for the triumph of socialistic bureaucracy here. We admire the Russians but dislike communism. They respect Americans but despise capitalism.

In consequence, there is a developing competition, between Russia and the United States, for the good will and support of mankind. We seek to show the Greek people, for instance, that they can live more happily under a capitalistic economy than under communism. The Russians try to give the Greeks an opposite impression. In such a rivalry there is obvious danger, but also some advantage.

To put it another way, there was never any hope in the emotional enmity between the French and German people. Each learned to dislike the other primarily because they lived on different sides of the Rhine. The only possible outcome to this inbred nationalistic hostility was the mutual disaster which has occurred.

But struggle which is philosophic in its basis is likely to produce the constructive aspects of competition. The effort is to win popular adherence to one or other of two ideological brands, which we would label Liberty and Slavery. To secure adherence, as in every type of competition, there must be something more than promise; there must also be performance.

Of course the competition is not fair. The Communists are shamelessly deceitful in their advertising. They also prohibit, wherever they have the power, the penetration of American ideas. Nevertheless the Voice of America does penetrate the iron curtain, behind which there are probably many more admirers of the American way than there are effective fellow travelers here.

### Americans are Individualistic

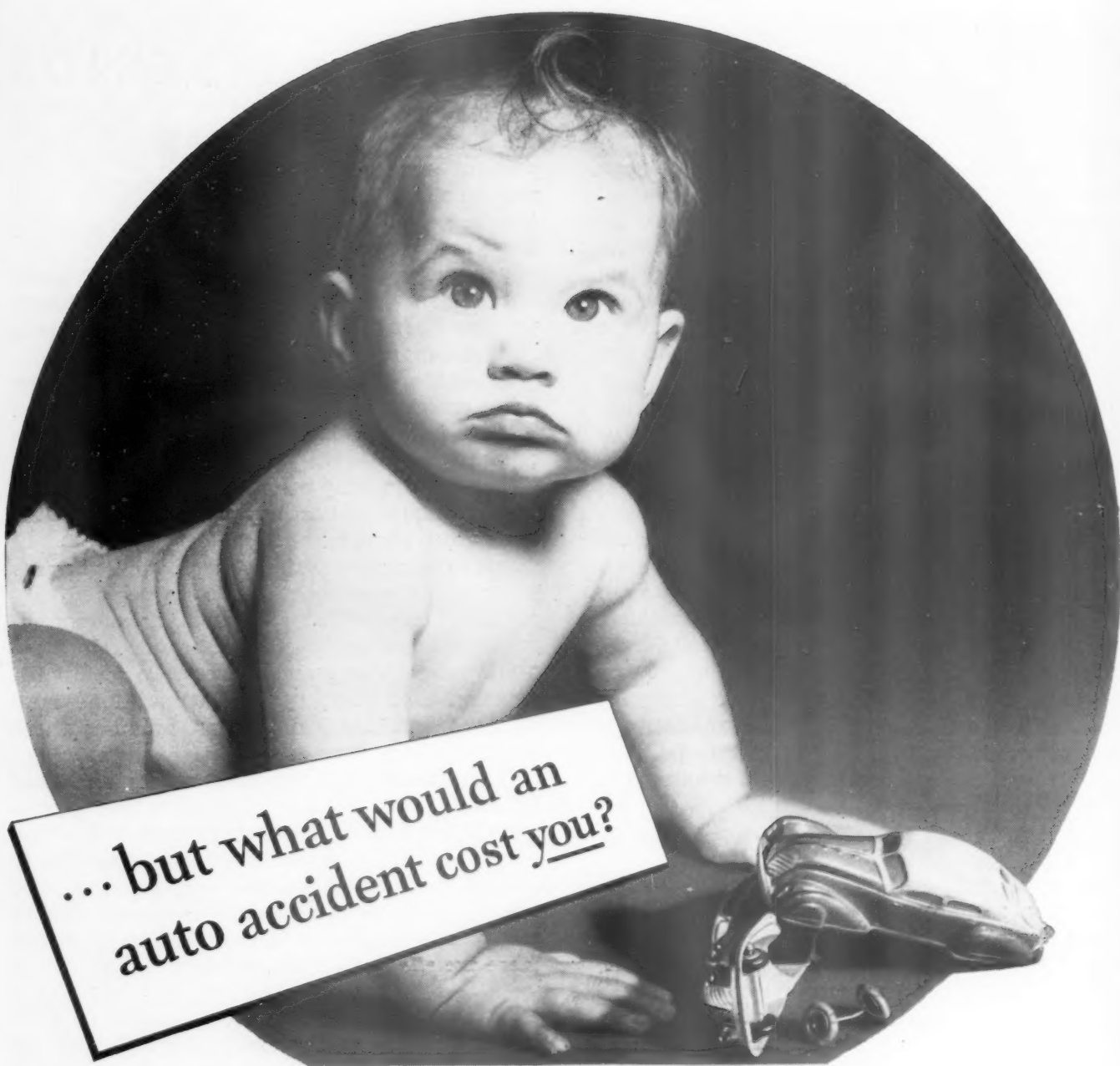
Little can be said in favor of our diplomacy prior to the appointment of Secretary Marshall. But much can and should be said in praise of the manner in which most Americans, each in his own sphere of life, have spontaneously rallied to defend the spiritual as well as the material values of their nation. To maintain and improve that spiritual strength is now the nation's business. And that business is obviously an individual more than a governmental responsibility.

It is not our stockpile of atomic bombs which gives us decisive advantage in competition with Russia. Very probably the Russians will in time achieve an equal reserve of these dreadful devices.

What communism cannot do, however, is to promote that spirit of cooperative effort for mutual advancement which is the essence of the American way of life. That endeavor is one which men make on their own initiative, under the prompting of individual conscience, not because it is commanded by the slave-drivers of an authoritarian state.

FELIX MORLEY





The *Policy Back of the Policy*—Our way of doing business that makes *your* interests our first consideration

**J**UNIOR looked so shocked and puzzled that I laughed—but not for long. I remembered that I must have had that same look after my own *real* smash-up.

I was plenty worried. Somehow I'd never thought an auto accident could happen to *me*. Then I recalled what Jim said about Hardware Mutuals insurance when I bought it some years ago.

"Day or night, when you need Hardware Mutuals service you'll get it—fast," Jim said. He told how prompt and sympathetic their claims service is—and mentioned those substantial dividend savings I've been receiving every time I've renewed my policy.

Jim was right. Thanks to Hardware Mutuals

my worries were quickly over. So my advice is: drive carefully, and get Hardware Mutuals low-cost, full-standard protection—with all the benefits and *plus*-protection of the *policy back of the policy*.

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### HARDWARE MUTUAL CASUALTY COMPANY

*Home Office, Stevens Point, Wisconsin*



# The Month's Business Highlights

**P**REDICTIONS that a depression would strike before the end of the year are being disproven by the course of events. Despite rising wage rates and the uncertainties of the foreign situation, no lack of business confidence is in evidence. In fact, American people are fantastically well off. Profits are good. Wages are higher than ever. There is abundant buying power. Prices are showing more stability than expected.

Before the coal wage boost there was every reason to believe that the forces of inflation and deflation were offsetting each other sufficiently to allow prices to recede from their peaks gradually enough to keep the economic machine from skidding into the ditch. That favorable prospect has been changed by the example set by the coal industry. With tens of billions thrown onto the scales on the side of inflation it is difficult to see how a resumption of the price rise can be avoided.

Another threat to American prosperity continues to be the possibility of international developments that would unsettle confidence. What may transpire in that field is unpredictable, but business has faced that menace long enough to have lost some of its apprehensions.

Barring some upheaval in the world situation, the feeling is that foreign buying will not diminish enough in the next year to cause any great disturbance. Restrictions on the use of dollars by foreign buyers will affect commodities which are at price levels that ought not to be sustained and products which the domestic market can absorb.

## Farm Prices are Vulnerable

Agricultural products will suffer most from the expected decline in the volume of foreign buying. Prices of farm commodities are those farthest out of line. They are 260 per cent of their prewar level. They are higher than the 1920 peak. It took three years after World War I for wholesale prices of agricultural products to rise as much as they did in six months after World War II controls were lifted. The level of farm prices is regarded as untenable. Substantial reductions are held to be highly desirable.

The present level of prices is operating to reduce foreign demand and to stimulate production in other countries. This seems to be a factor of even greater importance than the dwindling supplies of dollars. Restrictions on the use of dollars will apply first to commodities less essential than food.

## TRENDS



OF NATION'S BUSINESS

Reductions in prices of agricultural commodities will have an immediate effect on a long list of manufactured products. Those reductions in turn are likely to spread through the entire price structure and act as an effective brake on the more persistent of the inflationary forces.

Wholesale prices of industrial products have not been inflated to the same extent as have the prices of farm products. They have risen only 65 per cent above the 1939 level.

In the comparable period after War I the increase was 150 per cent.

The consumer price index is less than 60 per cent above the prewar average. There was a 100 per cent rise between 1914 and 1920.

## Prices on a Plateau

While most prices are higher than they were a year ago, the way they have been held since the peak attained in the first week of April was encouraging. Certainly the authorities handling money and credit and the leaders in business and industry are doing their utmost to hold the line against further price increases.

Agriculture and banking, after many fat years, are in a better position than ever before to absorb whatever losses accompany the trek back to a more tenable price structure.

The supply of money and other liquid assets are four times the prewar volume. Money supply alone is two and one-half times greater than prewar. This is more than 80 per cent of the total of production and services. Real headway has been made in checking monetary expansion and the increase in bank credit. The banking system is in a position to cushion business contraction. No difficulties which would accentuate recession are likely to develop in that quarter. There is some concern over the volume of the gold inflow and the possibility that it may increase as the supply of dollars abroad becomes smaller. It tends to limit the effectiveness of debt retirement in keeping the banks under restraint as regards further credit expansion.

The significance to business of Treasury Secretary Snyder's statement concerning international transactions in gold at premium rates is that the Monetary Fund realizes that established exchange rates are ripping at the seams through sales of gold at fancy prices. In effect this is an unofficial fall in exchange rates. Dollars and gold are inter-

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changeable. Ordinarily this would discourage our exports and encourage our imports. With existing needs for our goods, however, and with the dollar shortage, foreign countries are using their dollar resources faster than otherwise would be the case. In the long run the effect will be to restrict American exports. The immediate effect will be to make more acute the demand for dollar loans.

### Many Find Other Jobs

Contrary to the popular impression, the upturn in employment, which took place in the second quarter, was not a manifestation of inflation, it was a recession phenomenon. Less manufacturing employment and greater selectivity in hiring forced many to find other jobs. As a result, there was a decided movement back to domestic service and self-employment. Agriculture employment had its usual seasonal rise but farmers in some regions have more workers than they can keep busy full time.

Expenditures for construction, producers' equipment and inventory expansion may exceed \$30,000,000,000 this year or nearly double the rate of the most prosperous prewar years.

Construction promises to expand more than seemed likely three months ago.

Retail trade has held up better than the expectations of most specialists in that field. The terrific pace of \$140,000,000,000 annually continues to be maintained. The drawdown on savings is more marked, however, and indebtedness is increasing rapidly. Buying for inventory has fluctuated nervously because of successive underestimates of the volume of consumer buying. It is apparent, however, that many pipelines have been filled, with prospects favoring a slackening in inventory purchase. That development would have far-reaching effects and would be an important factor in influencing price adjustment downward.

Expansion of consumer credit is putting more pressure on goods than would have resulted from the proposed \$4,000,000,000 tax reduction. Much of the saving in taxes would have been used for purposes other than the purchase of consumer goods. Relinquishment of control over consumer credit is expected to make \$3,000,000,000 available solely for the purchase of goods.

Further study of liquid assets in the hands of the public convinces Federal Reserve officials that the great mass of these holdings will remain relatively inert under present conditions. Not only is the total volume greater, but these assets are distributed more widely among the different brackets of income than ever before.

In attempting to forecast consumer spending tendencies, the sharp increase in individual in-

comes must be considered.

Ten years ago, when prices of consumers' goods were one-third lower than today, there were only one-fourth as many incomes in the \$2,000 and \$5,000 range.

Persons in that bracket now receive half the total income and own half of existing liquid assets.



Whether the new labor law will promote industrial peace or discord will depend principally upon the way it is administered. Excessive power has been lodged in the general counsel of the National Labor Relations Board. If that job is handled with great discretion, equality between management and labor may be restored with a minimum of trouble. Demonstrations against the law are to be expected. Special privilege never is surrendered without an outcry. Indications are, however, that the principal opposition will take the form of legal attack.

A complex statute, such as is the new act, lends itself to litigation. Picturesque excesses by Lewis and Petrillo made the present law possible.

### Strategic Stockpiles

Rehabilitation of Europe and the desirability of narrowing the spread between exports and imports have increased the pressure for stockpiling of strategic materials of which this country has inadequate supplies. There is influential support for such a program.

Loans for the purpose, it is suggested, should carry conditions that would insure access to these materials for long periods.

There is an increasing demand for a special session of Congress to determine policy with regard to foreign loans to cover the purchase of farm equipment, mining machinery, tools and other forms of capital goods. If this is done, it is argued, American manufacturers of such equipment then can go forward with plans for necessary plant expansion.

A reduction in the tax on corporations will be provided in the general revision bill, if Chairman Harold Knutson has his way. He would expand the excises and do away with the double tax on dividends. He favors separate returns by husband and wife and is on the track of tax-exempt organizations engaged in commercial activities. As states and localities soon will embark upon enlarged programs of public works, Chairman Knutson thinks no time would be more opportune to close the door to the tax avoidance made possible by tax exempt securities.

PAUL WOOTON



## Look at it this way

Looking through knotholes is one way to save money. But when you buy trucks, there's a better and more satisfactory way.

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**DODGE "Job-Rated" TRUCKS**  
FIT THE JOB . . . LAST LONGER



# Washington Scenes

**T**HE 80th Congress, hounded in its first few months as a "do nothing" legislative body, has answered its critics. Its record of accomplishment is, all things considered, a respectable one. However, Congress still has ahead of it a piece of unfinished business which, in the long perspective of history, may transcend in importance all that has gone before.

This is, of course, the so-called Marshall Plan; the proposal of Secretary of State George C. Marshall, in a speech at Harvard on June 4, for a huge pump-priming undertaking in Europe. This would be financed with American grants provided that the nations of Europe first draw up a satisfactory program for putting the continent "on its feet economically."

The influential *London Economist*, describing Secretary Marshall's proposal as "dramatically important," said that the aid-Europe program should come soon and should be big enough to "take the breath away." Other commentators, here and abroad, felt that the United States had at last wrested the initiative away from Russia in her drive for the mastery of Europe. At stake, it was generally agreed, was the issue of world prosperity or world depression.

Would an economy-minded body like the 80th Congress vote billions of dollars for the reconstruction of Europe?

The question is difficult to answer. So far there has been little talk about the Marshall Plan on Capitol Hill.

## America's Self-Interest

This much is certain: When the time does come to present the Marshall Plan to Congress, the argument for adoption will be based, not on humanitarian grounds, but on the practical grounds of America's self-interest. A prosperous United States, it will be argued, is simply impossible in the long run unless Europe can be revived as a true market for American goods instead of being a field for American charity. Far more important, it will be further argued, there can be no real assurance of world peace so long as peoples are hungry and discouraged, and are a prey to the apostles of the totalitarian or police state.

Secretary Marshall, trained as a soldier, has discovered that modern diplomacy is about nine-tenths economics. His speeches are devoted almost entirely to that science—to food, coal, trans-

## TRENDS



### OF NATION'S BUSINESS

port, and such problems as the "level of industry."

Returning from the Big Four Conference in Moscow late in April, Secretary Marshall wrote a speech aboard the plane that was bringing him to Washington. It was to be his first report to the nation as a statesman. His

aids read the draft and frowned; they thought it was too dry, too much given to economics. Marshall, however, insisted on delivering it. Having had a difficult time himself in learning what the real issues were at Moscow, he wanted to make them clear to the American people—even at the risk of boring them with figures about coal production in the Ruhr.

"The recovery of Europe has been far slower than had been expected," Marshall said in that April speech. "The patient is sinking while the doctors deliberate. So I believe that action cannot await compromise through exhaustion."

• • •

As Willard L. Thorp, assistant secretary of state for foreign affairs, pointed out in a recent speech, the American Government had planned well for the postwar period; or at least, thought it had. Aside from the United Nations, four important international institutions were established—two to bring about economic recovery and two to provide the basis for a more abundant life.

The first institution was UNRRA, established to provide relief on a non-reimbursable basis to the citizens of countries which could not themselves provide the basic necessities of life and which had no adequate resources with which to buy them abroad. UNRRA, now out of existence, was primarily a relief organization.

The second new institution was the International Bank for Reconstruction and Development, popularly known as the World Bank. One of its functions would be to provide credits to repair the extraordinary damage done by war. The Bank would make long-term loans for rebuilding factories, harbors, railroads and the like. Its facilities were to be available, also, to countries outside the war zones which needed funds to finance worth-while programs.

The two remaining institutions, the International Monetary Fund and the International Trade Organization, were to assure a living and expanding pattern for the new postwar world. The first was to offer some assurance that currencies would be convertible and to provide a means

# NOW...

## are there any questions?

**Are prices actually too high and are they likely to come down?**

Jack Wallach will answer. See Nation's Business for September.

**What does the small business man want most?**

Winston-Salem has found an answer. It is not security, nor profits, nor freedom from taxes. It is something every community can help him achieve.

**Are you likely to be an alcoholic?**

What those who have studied the subject have found out about the dangers of drinking.

**How can management and labor live happily together?**

Human Engineers are working out the answer. Herbert Corey reports their findings.

**What is the biggest obstacle in the way of more world trade?**

Part of the answer is lack of selling abroad. Who can do such selling? How? When?

**YOU'LL** find these and other helpful answers in the September issue of Nation's Business, on your desk September 2.

**Plus these regular features:**

Management's Washington Letter

The State of the Nation

The Month's Business Highlights

Washington Scenes

Odd Lots

NB Notebook

Lighter Side of the Capital



of stabilizing currencies, thus encouraging the exchange of goods across national boundaries. The second was to deal with the problem of reducing public and private barriers to trade and to abolish trade discriminations.

"These institutions," said Thorp, "rested on the conviction that, in a world with currencies and commodities readily exchangeable, foreign trade would expand, the goal of easy access to materials and markets would be achieved and we could all benefit from a more efficient use of the world's resources—men, machines and raw materials."

But it is now two years after the war, and the hoped-for economic recovery of the world has not come. Indeed, it appears to be remote. Does this mean that the four institutions have failed? Thorp did not think so. He granted that the World Bank, because of organization problems, was slow in getting into action. But that, he said, could not explain the delay in recovery, because the United States stepped into the breach and committed itself to foreign grants and loans totaling \$13,000,000,000.

The reasons for the delay, it would appear, are many. To start with, it should be remembered that Europe was at war in ten out of 25 years. The failure to realize the importance of Germany's economy to the economy of Europe as a whole was certainly an important reason. Russia's stubbornness about making peace treaties with Germany and Austria, together with the wrecking tactics of communists throughout Europe, was another.

• • •

But as Dean Acheson, retired under secretary of state, pointed out, disasters do not come singly. He went on:

"Two years of crop failures in Europe and one in the Far East, the most severe winter in half a century which drained meager coal supplies of England and Europe, and the inefficiency of the industrial plant, due to depreciation, failure of fuel and raw materials, lack of labor and many other causes—all these have upset all calculations of recovery. Europe has had to use its resources of foreign money and credits, carefully husbanded to restore and improve equipment, merely to keep alive.

"Financially Europe is bleeding to death, and the period of shock and crisis will come next year. Nor will the crisis be purely European. We are today selling twice the value of goods which our customers can pay for with their sales to us. This is not merely true of Europe, but of our nearest neighbors, Mexico and Canada. The loss of these sales will have—as it has had in the past—a profound repercussion throughout this land."

• • •

"The truth of the matter is," said Secretary Marshall at Harvard, "that Europe's require-

ments for the next three or four years of foreign food and other essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help, or face grave economic, social and political deterioration. . . . The consequences to the economy of the United States should be apparent to all."

Then came Marshall's proposal:

Before the United States can proceed much further in its efforts to help, there must be some agreement among the countries of Europe as to their requirements and as to the part they themselves will take to give proper effect to whatever action the United States Government might take. It would not be fitting for this country to draw up a plan for European reconstruction.

"This is the business of the Europeans," said Marshall. "The role of this country should consist of friendly aid in drafting a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all European nations."

In that last sentence, Marshall was saying that we would go ahead, with or without Russia.

He mentioned no specific sums. A few days later, however, Counselor Ben Cohen said that the program "may require as much as \$5,000,000,000 or \$6,000,000,000 a year for another three or four years." That also is the view of Assistant Secretary of State Will Clayton, a shrewd business man.

• • •

For the time being, as has been said, it is up to Europe. Washington is convinced that Europe has many more resources than it has used in its own reconstruction. Some countries have surpluses of labor while others are desperately short of manpower; some have raw materials which their neighbors need but cannot get.

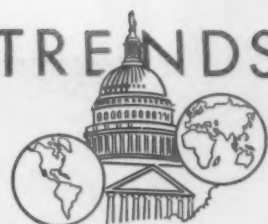
Europe must find a way to use these resources to the limit before seeking further help.

Once Europe comes through with a program, a great national debate will be in order in the United States. It may be that there will be a special session of Congress, so that the matter will not get tangled up in 1948 Presidential politics.

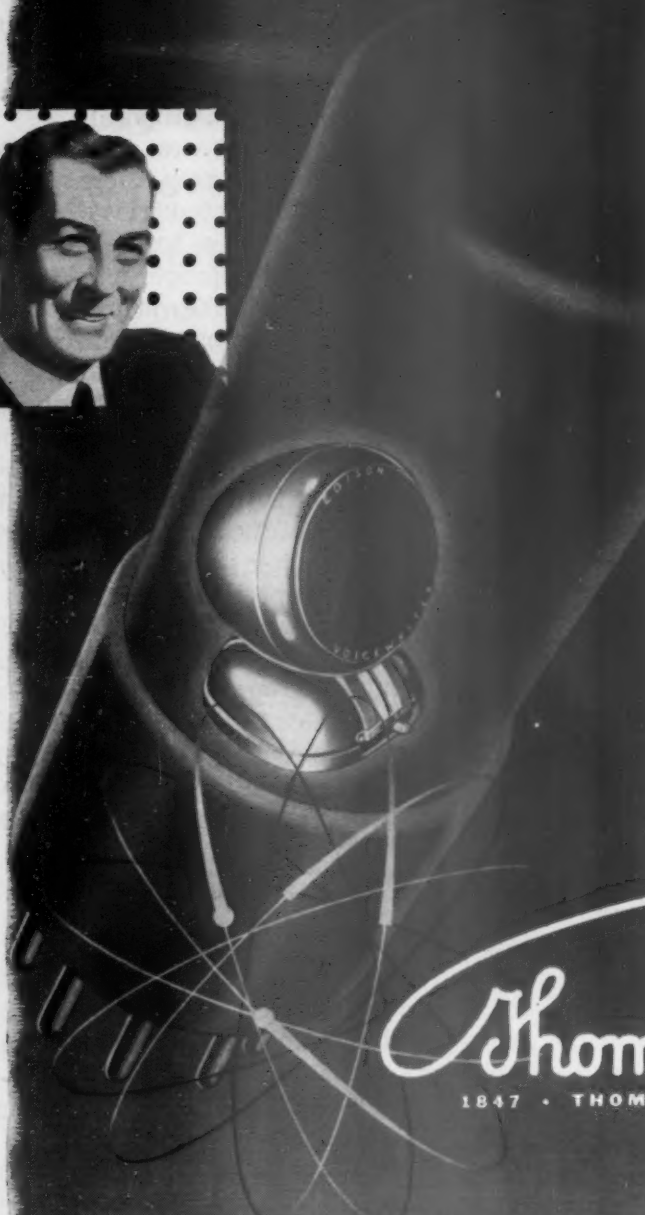
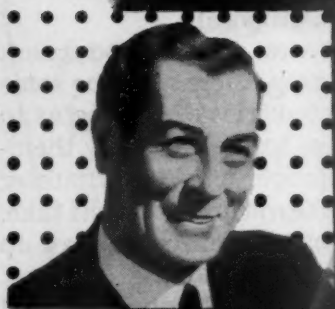
The Foreign Policy Association, looking ahead, sees the debate centering on two questions: 1. Can our economy remain strong if we do not help Europe? 2. Can our economy remain strong if we do help Europe? In addition, there will be the question of how Europe is to get needed supplies in the United States when a voracious domestic market is gobbling up everything in sight.

EDWARD T. FOLLIARD

## TRENDS



OF NATION'S BUSINESS



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# Our Fears Puzzle a British Visitor

By RICHARD FRY

**N**EW YORK looked its best when the "Queen Elizabeth" took us slowly up the Hudson River. The skyline stood out against a cloudless, satin morning, and the great stone jungle had a tense, dramatic beauty.

In a few hours I was looking across the tip of Manhattan to the bay and the islands, and I thought that Wall Street was not properly advertised. Down in the street, where the Dutch built a wall from river to river against Indian raids, a man looking up at the sides of the deep canyon might feel as small as if he stood among the Swiss peaks. Up on the top floors of any one of the banks the windows opening out on the Statue of Liberty give you one of the finest views in the world.

I spent some days lunching my way from one bank to another, and on a clear day the view always fascinated me. But it was hard work making anyone talk about American business prospects. They wanted me to talk about England. In all the Wall Street houses the people I met were more worried about England than we are at home. Those who knew England admitted that the British might still pull something out of their hats, though heaven knew what it could be this time. People who did not know England took it for granted that the British Empire was lost and, in the most famous bank of all, one vice president said the only thing for England to do was to ship half her people abroad. Bankers love drama.

I thought it would cheer them up to tell them that the greater part of the insurance claim for the terrible explosion at Texas City had fallen on Lloyds in London, where most American fire insurance companies still reinsure their risks. To me that little fact suggests that the British are still do-

The skyline stood out.  
The stone jungle had a  
tense, dramatic beauty

FAIRCHILD  
AERIAL  
SURVEYS



JOE COVELLO FROM BLACK STAR

The French woman was sobbing. The  
sight of so much food made her happy  
—and also very miserable



ing a considerable business in the world besides exporting Scotch whisky; but my Wall Street friends thought only of the dollars we should have to pay out, and were even more depressed.

They are nervous, mercurial folk, always up in the clouds or down in the dumps. They are remarkably well informed and intelligent, but I take a dim view of their talent as prophets.

The stock market broke more than a year ago because it expected a slump in 1946. Every time I mentioned that, it started a



20TH CENTURY-FOX

The movie industry is America's first export industry to organize a campaign favoring imports



America is a land of contrasts. When construction boomed in Texas it was slow in New York



JACOB LOFMAN-PIX

"I enjoyed, among other things, the free television, Chicago's parks and the luxury trains of the Santa Fe"

heated argument on whether this country is in for a "dent," an "adjustment," a recession, a depression, or a slump. It is an odd thing. Not since the triumph of Victorian prosperity in Britain has any country been so rich, so powerful, and so pleased with its own achievement as the United States is today. Yet almost every thoughtful American business man I met was nervous. If in the next few months production falls off, prices break and unemployment spreads, never will so many people have been right.

Often a man will protest: "Mind you, I am no recessionist!" But in the two months I spent traveling across the country I heard a hundred prophecies similar to this, which was made to me by a leading steel man in Pittsburgh:

"There is a grand piano being flung out of a twenty-second floor window," he said; "and we won't know where it is going to crash until it hits us."

At that time the steel mills in Pennsylvania were running at 105 per cent of rated capacity! The belief that things are too good to last has taken a firm hold on the people. In San Francisco a girl in a store told me that an aunt had left her a sum of money with the provision that it should not be paid out till 1950, when the slump would have come.

It took me a few days to pay attention to anything but food. One knows that America has plenty to eat, but the reality takes one's breath away. The sight and smell of so much food makes one giddy. It seems to hit all visitors from Europe that way. I saw a French woman sobbing quietly in front of a delicatessen shop. She was both happy and miserable when she told me about her people in Paris, from which she had just come.

A Dutch civil servant I met said sadly: "What is thrown away in New York City would be enough to double the meat ration in all Holland."

Whether one eats for 50 cents or for five dollars, one is offered a vast choice of dishes with great slabs of meat, bread whiter than the plate it lies on, rich pies, and as much sugar and cream as one likes. The portions are much too big for anyone just out of Europe. It takes time to adapt our insides to the overabundance, and to adapt our minds to the sense of eating without restraint while nine-tenths of the earth's people go hungry.

Many people in this country, I found, are aware of the awful contrast. The volume of food sent abroad by personal parcels must be terrific, to judge from the facilities provided by many food shops. All over the country strangers have taken me aside to explain that they did not really approve of the glut of food that was being put on American tables. It was very touching.

Food and automobiles seem to be the two things people spend money on—and I should add, wives and daughters. In front of the humblest shack stands an automobile. The household, it seems, is built around the car. In England no family man would dream of buying a car until he had a solid brick or stone house and had made it as respectable as possible inside. Here the people seem to be less attached to fixed possessions than to their cars, radio and bank accounts. I hasten to add that I have



visited both old and modern houses in East, South, Middle West and West which had grace and beauty, and owners who loved them.

Visiting factories was a great experience. What impressed me most was the colossal scale of operations. Two steel works I saw on the same day produce almost as much steel as the entire British steel industry put together. Any of the big Detroit automobile plants produces several times the number of cars made by any similar plant outside the United States. I feel sure now that size is the real secret of American efficiency. In the large-scale units the layout and equipment, the planning and timing is far superior to anything I have ever seen. Many smaller plants I found no better than their counterparts in England or not so good.

A great deal of nonsense is being talked about obsolete and inefficient British industries. As a British visitor I seemed to stir up talk on this subject wherever I went. Almost everybody mentioned the bad state of our coal mines and cotton mills. Nobody knew that we have very fine coal mines and cotton mills as well as very poor ones, and many other industries not so afflicted by old age. Our stock seems to have been written down pretty heavily in America. People are amazed to hear that we are ahead in the design of jet engines. They forget that England is still the second largest industrial nation in the world.

Many recent innovations, like the fluid drive and silicones, have come from England. Why not? Progress needs exchange. That is the sort of thing I told people in factories when they put on a funereal face to talk about England. They were always delighted. The American industrialist is a keen competitor but he likes the other fellow to get on, too.

The typical American reaction to the threat of declining business is still a scramble for cost-saving equipment. The president of a company making mining machinery told me that a coal mine operator had called him the day before he left for the Washington talks with John L. Lewis.

"We shall have to pay the miners more," he had said; "and I shall want a lot of new machinery from you. I cannot give you any details yet but I want you to include my order in your production schedule right away."

Down in Georgia I was told that many cotton mills are countering the rise in laborers' wages by installing mechanical hoists and other handling devices to save unskilled labor. In every industry I touched a rush for technical improvement was going on. Some people regret that the dream world of plastic cars and glass houses which filled the magazines in wartime has not come true. What is happening in industry today is less showy but not less revolutionary.

Every plant I visited had something new to display of which it was proud. In the centers of machinery production in Ohio all manufacturers seemed to have full order books for more than a

(Continued on page 68)

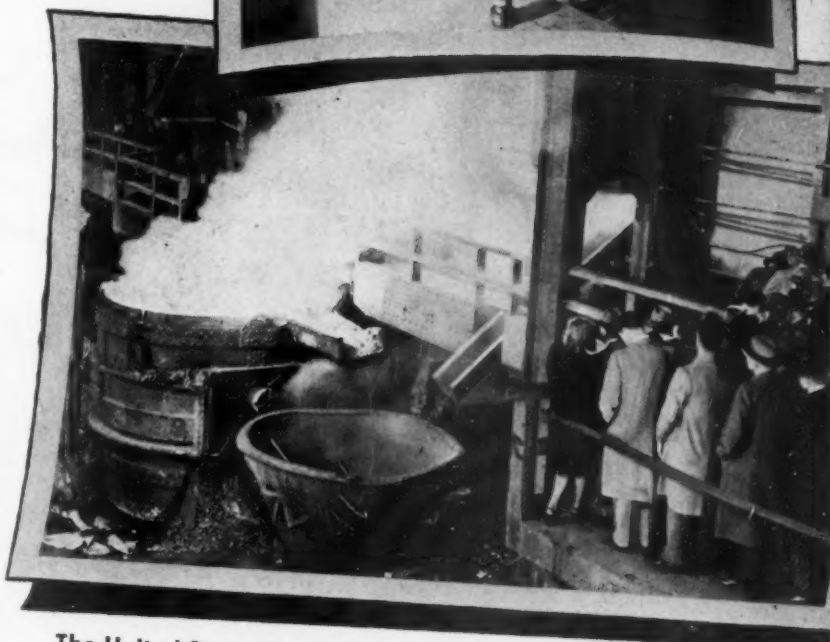
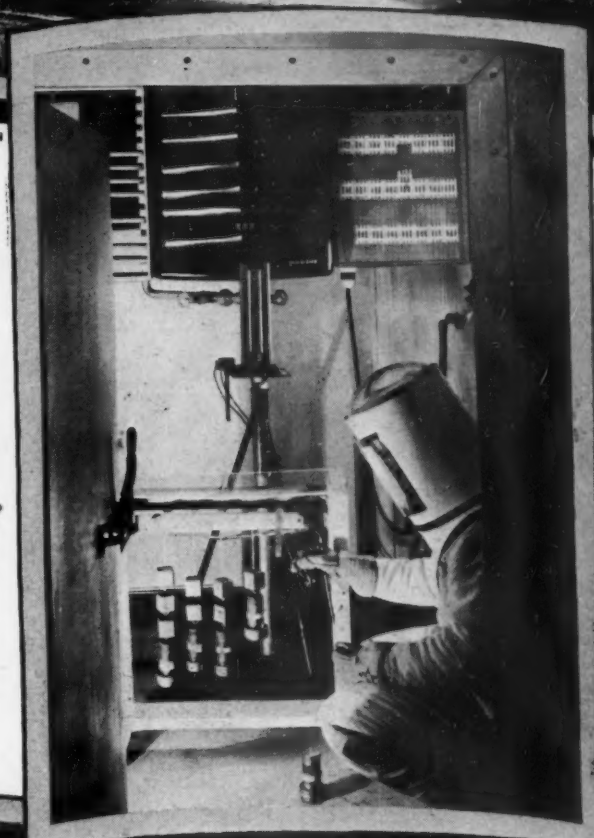
**Water control and irrigation in the West and Northwest made large-scale settlement possible**



**Atomic power will ultimately be harnessed for industrial use but not within the next ten years**

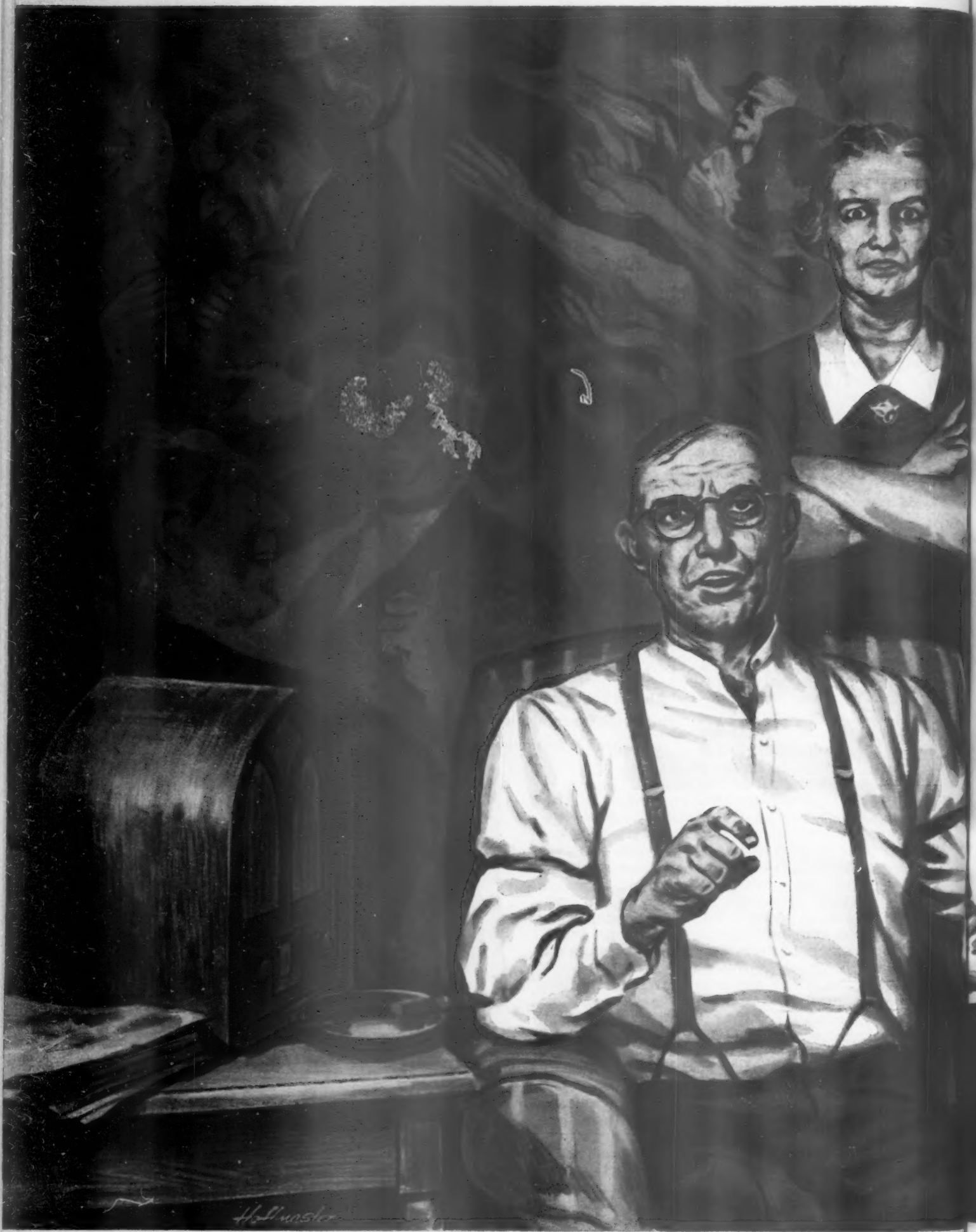


BUREAU OF RECLAMATION



The United States Steel works held open house for the public. The workers joined in sprucing up the plants

U. S. STEEL PHOTO



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# So Everybody's Just Crazy About You

By C. LESTER WALKER

**F**IFTEEN years ago George Spelvin of Middletown was a regular oracle. He would wave his cigar and proclaim:

"Our company prides itself on its public relations. We know how people think. Now, take profits. We publish our profits. So probably 90 to 95 per cent of the people know what our profits are and think they're reasonable."

Mr. Spelvin was dead wrong in those pronouncements, but we'll let that pass. Listen to this:

"We know a little about public relations and we try to learn a little more every day. Take the way people think—about profits, for example. Our company makes 4.1 per cent on sales. But we find that most people think we make 25 per cent. We used to think everybody saw our published profit and loss statement. We find two out of three people never saw a profit and loss statement anywhere, at any time. Well, live and learn, say I."

That's the same George Spelvin speaking. What has happened?

The explanation is simple. Fifteen years ago there was no such thing as scientific opinion research. Now there is a lot of it—Gallup, Roper, Opinion Research Corporation, Psychological Corporation, National Opinion Research Center, to mention some of

Most Americans picture management as greedy, hogging most of the profits



**IT'S NOT ENOUGH** for your company to live right. You must also be able to tell your story right if you want it to sink through to the public

the better-known names. Mr. Spelvin has discovered scientific opinion research, has used it in his business, and is finding that it works.

"It takes a lot of the guessing out of public and employe relations," he says. "It really gives you the facts on what people are thinking. And some of those facts are revelations."

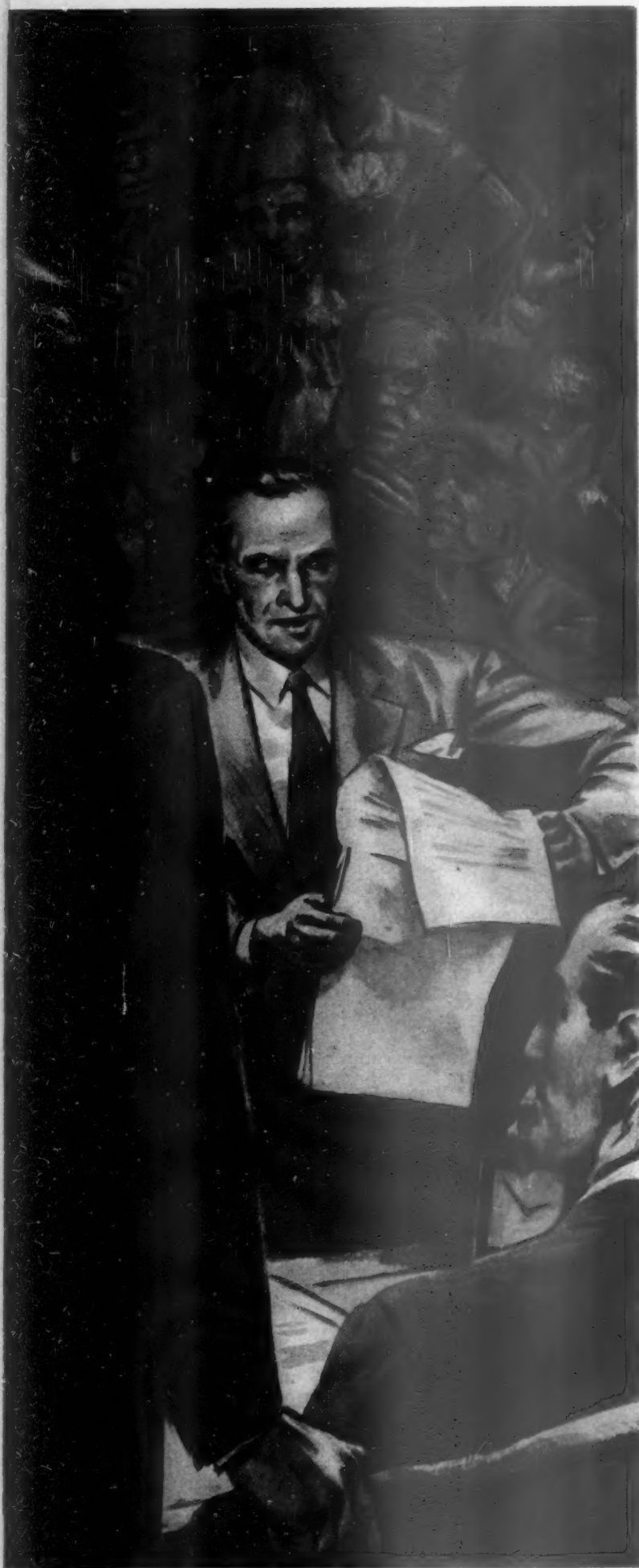
Mr. Spelvin is not necessarily typical, but he is significant. There are scores of others who, like him, are just discovering what the scientific opinion survey can do for management.

You heard Mr. Spelvin say that some of the facts of the opinion surveys are "revelations." That is a gross understatement. So many of the facts are such astounding revelations that, along public and employe relations lines, they are revolutionizing business thinking. Let's take a look at some of them:

Take, first, the public's understanding of certain common concepts of business and economic life. *Profit system* is one of these. Surveys by Opinion Research Corporation show that millions of citizens think this means an economic order in which all profits, or nearly all, go to the bosses and owners. *Profit* itself is an idea of very hazy outline in the public mind. The surveys show that people confuse it with mark-up, investment, net worth and sales. Millions haven't the vaguest notion how profits are figured. Millions more think that business' usual profit in wartime was 30 per cent.

Most people, the surveys revealed, think that ten per cent would be a fair profit at any time. Over a period of 16 years American business actually made 5.9 per cent on net worth and 2.9 on net sales, but one out of every three adults believes that "business has been making too much profit."

**Free enterprise** provides another set of revelations. Opinion research by Gallup has uncovered the fact that only three in every ten persons can give a correct definition of free enterprise. Only one of every four women, and only one of six unskilled working men know what free enterprise is. Some



think of it in the terms of a New York drug clerk who, on questioning, said:

"Lady, I heard about it all my life, but I never seen it and it never did anything for me, free or otherwise."

**Tariff**, which has been the issue in so many American political campaigns, is just six letters and a sound to most Americans, the opinion researchers have found. Asked what it means, a third of the nation says, "I don't know." A majority is totally ignorant or has largely erroneous conceptions. To some it can even mean (actual definition): "A quarrel, or being terrified."

The American Petroleum Institute had a survey made of public sentiment toward the oil industry, which revealed that about 28,000,000 people think of the oil industry as a monopoly, although there are more than 34,000 competing companies in the business.

Other opinion research surveys expose the susceptibility of the people to *big figures* in profits reporting and their skepticism of the truth of management's statements and reports.

"A company had \$310,000,000 sales and \$18,000,000 profit." Say that, surveys of Public Opinion Index for Industry (POIFI) of the Opinion Research Corp. show, and only 14 per cent of the public think it's a reasonable profit. But say, "Sales \$310,000,000, profits six per cent," and 69 per cent of your public will think it is a "reasonable profit."

Fully half the people, opinion research finds, think management often doesn't tell the truth. A profit and loss statement of one of the nation's best-known corporations was shown. Fifty per cent said they thought you "couldn't trust the figures."

Do *most companies* tell the truth about their profits? Only two out of five Americans, it has been shown, think they do.

Another fantastic notion brought to light is the employee's idea of how the company dollar available for wages, executive salaries and dividends is split. The right answer is 87 per cent to workers and executives. But POIFI surveys show that employees, like *your* employees, bad-guess all over the lot, and that their central tendency is a belief that 75 cents goes to the bosses and the owners, and only 25 cents to the workers.

What does this sort of thing add up to? Obviously, that business' public relations and public education work on the whole profits story has flopped miserably. The 63 per cent of the companies which, these polls say, do something about explaining profits to employees might just as well (with some exceptions) be doing nothing.

Yet employees want to hear the profits story. The opinion surveys are showing that almost 70 per cent of them say, "Yes, profit reports are a good thing . . ." and add, "A guy feels more a part of what he's doing—works harder . . . Workers then know they're being paid what they're entitled to."

Another revelation is that such reports *can* be effective. One company which even sent monthly reports to workers' homes asked: "Out of every dollar this company pays out

in wages, dividends and salaries to top management, how much would you say goes to wages?" This company's workers' median average opinion was "69 per cent."

(Continued on page 60)

The researcher determines public opinion, and then interprets it to business





NEAL LYONS



SCHOOL DAYS 1946-'47  
Rotan Grade



SCHOOL DAYS 1946-'47  
Rotan Grade



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SCHOOL DAYS 1946-'47  
Rotan Grade

# The Wizard of Wolfe City

By JOE WHITLEY

LIKE most small towns Wolfe City, Texas, about 75 miles northeast of Dallas, has its village "character," in this case a shy and perpetually dreamy man called Doc Henington. Like many such characters, Doc Henington has spent most of his working hours failing at one job after another, and most of his spare time focusing his mild blue eyes on the illusion that a man without much formal education can produce great inventions out of baling wire, hatpins and old tomato cans.

What distinguishes Doc is that today, at 48, he runs a business that grosses \$250,000 a year—and that many of Wolfe City's leading

**THE NEIGHBORS** thought Doc Henington was a crackpot. But that was before he devised a foolproof method to make eight photos of a school kid in ten seconds

citizens, including some who have spent the greater part of two decades scoffing at his "queer" ideas, now find themselves on his payroll and doing very well.

Henington is walking evidence that fame and fortune, to a young man who is willing to chase them far enough, sometimes can be found down strange alleys. He has earned the belated gratitude of the little town of 1,500 by becoming

a mass producer of children's portraits.

He started the business when he was 32. At the time he had only the modest hope that he might make his family's rent and food money by persuading schoolchildren to stand in front of a second-hand camera long enough to produce an image which—if it turned out well—could be sold to their parents.

Since then he has progressed

# POST OFFICE

## WOLFE CITY TEX.



Henington's big volume of business has helped the local post office. Here he is with his daughter, Julia, getting the mail

until today his studio often turns out 600,000 photos a week. His salesmen-photographers roam the South, pushing children in front of cameras almost as fast as if they were conducting a fire drill.

It is almost impossible, anywhere from New Mexico to Mississippi or from the Rio Grande to the northern border of Arkansas, to grow up without being photographed at least once by Henington's ubiquitous agents. One statistical-minded Wolfe City resident, meditating on Henington's rise, has figured that Doc and his

staff could take and deliver a picture of every person in the United States in five years.

Fortunately for the family albums of six southern states, Doc makes good pictures. They are sharp, well printed and a great bargain at the price which runs as low as 65 cents for eight small prints and two enlargements.

The quality is a tribute to his genius because, until 14 years ago, he knew little or nothing about the making of photographs. Moreover, his traveling photographers are former druggists, farmers, school

teachers, barbers, truck drivers and professional fishermen.

The staff boasts only one man with previous professional experience. In the darkroom, where prints are turned out as fast as handbills, one of his chief assistants is a practicing Baptist clergyman who frequently has to be excused to conduct a wedding or a funeral.

Until Doc got into the photography business, his biography sounded like a soap opera. He was born Clive Kirkstall Henington,



SCHOOL DAYS 1946-47  
Rotan Grade



SCHOOL DAYS 1946-47  
Rotan Grade



SCHOOL DAYS 1946-47  
Rotan Grade



SCHOOL DAYS 1946-47  
Rotan Grade

When he was 13 his father, a barber, decided to wander away. As the eldest of seven children, Doc quit school and moved his mother, brothers and sisters from Davis, Okla., to a little Texas truck farm. There he put in 18 hours a day as a sharecropper trying to raise vegetables, pears and gardenias. For four years he managed to keep the family fed.

A storm ruined the farm in 1915. Doc found a job as high school janitor back in Davis and began attending classes in his spare time. By sweeping floors and glancing at his books when he had time, he managed to get his diploma just after his twentieth birthday.

As a boy he saw an airplane, then a rare sight, and at once became obsessed with the idea of flying. During high school, between classes, books and janitor work, he built model planes out of yardsticks and rubber bands. Indeed, he invented a variable-pitch propeller, years ahead of the trend.

His chief ambition when he left school was to build an airplane to prove that the propeller would work. He migrated to South Dakota as a harvest hand and found a job with a farmer who was willing to let him use an old shed as a workshop. He saved his money and bought an old motorcycle engine, a few bolts of muslin and some piano wire.

At night he built his plane by the light of an old kerosene lamp—and



by the knowledge he had gained by reading a popular science magazine. He did fine except that, when he was warming the engine for the first trial, the piano wires snapped.

He spent his last few dollars on repairs, tried again. This time he got a few feet off the ground before broken wires again sent him down.

Another year of work enabled him to save enough to buy a new engine mounting that would eliminate vibration. On the night he finished installing it, the shed burned down, destroying the plane and all his extra clothing.

An unexpected letter from his father in Oklahoma City where he was enrolled in a chiropractic school launched Doc on a fresh start. He joined his father, found a job delivering newspapers and scraped up enough tuition to enroll in the school.

For two years he delivered morning papers, rushed to classes, left to deliver afternoon papers, returned to classes in the evening. At

mined woman, helped by baking and selling pies. In one way or another the Heningtons managed to stay alive. Then the urge to tinker welled up in Doc again.

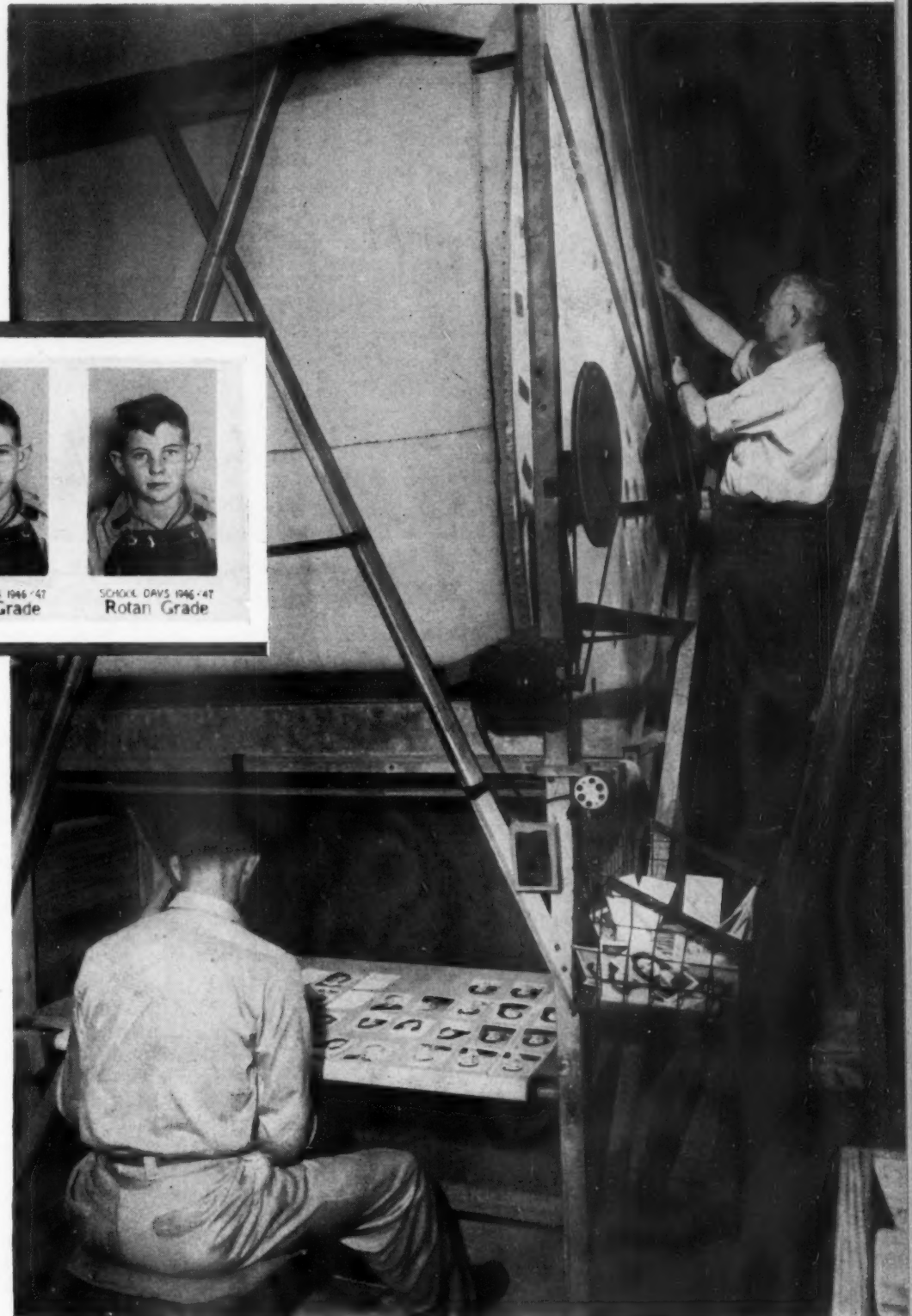
He managed to borrow \$1,000 and spent it on muslin, lumber, a Model T engine block and a 16-valve racing head. In the shed behind his house, another plane slowly took shape. When completed, he hauled it to a field north of town, followed by a host of adults and small, jeering boys. He had scarcely reached the field

when a sudden hailstorm bombarded the scene with pellets as large as hen eggs. When the storm ended, the plane had more than 300 holes in wings and fuselage.

Doc repaired the damage and tried again. This time the engine stalled on the takeoff and Doc smashed into a ditch.

After the crack-up hardly anybody in Wolfe City could meet Doc without bursting into laughter. After a year of near starvation, he was literally laughed out of town.

(Continued on page 62)



SCHOOL DAYS 1946-47  
Rotan Grade



SCHOOL DAYS 1946-47  
Rotan Grade



SCHOOL DAYS 1946-47  
Rotan Grade



SCHOOL DAYS 1946-47  
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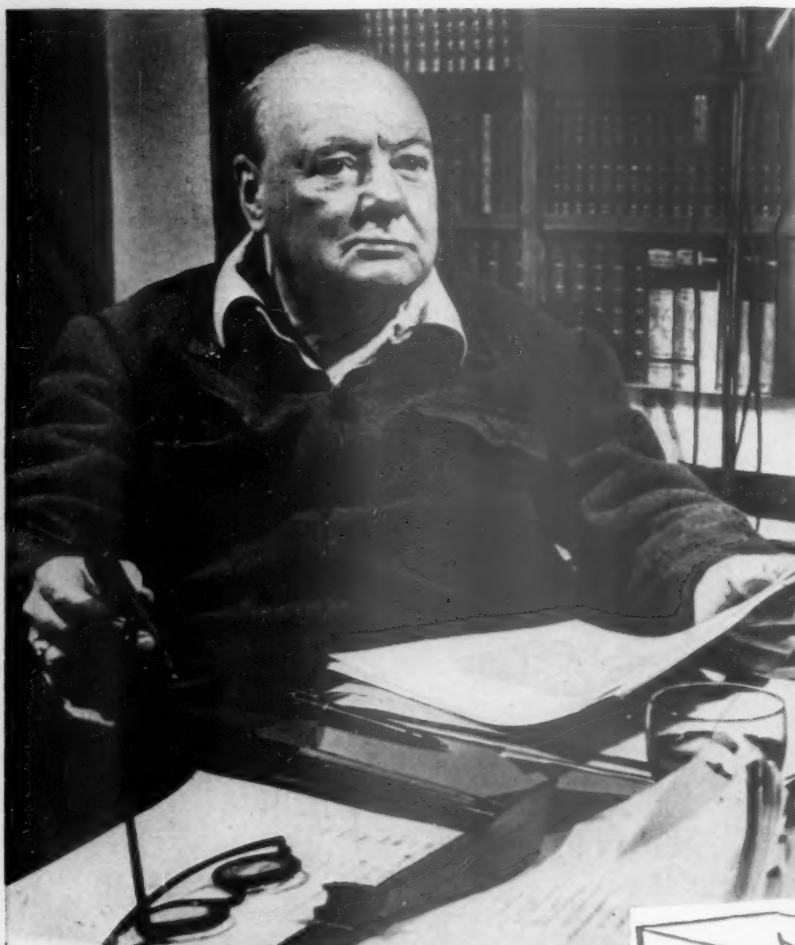
the end of that time he had acquired a great deficit of sleep, a diploma, a wife and an ancient car.

On the advice of a classmate, he settled in Wolfe City. He could hardly have made a poorer choice. At the time, the Texas medical profession was up in arms against chiropractors. Moreover, Wolfe City was a community whose citizens were fiercely loyal to each other and suspicious of strangers.

Doc managed to find sanctuary with a family who rented him one room for living purposes and another for an office. But only an occasional farmer wandered in, offering a chicken or a dozen eggs in return for a treatment.

Mrs. Henington, a tiny but deter-

**Doc built his own driers when he couldn't find any big enough to handle 600,000 prints a week**



Churchill is setting down a million-odd words at more than a dollar each

# You CAN'T



Harry Hopkins, while close to the President, rated \$5,000 an article

**HIGH** public officials seem to assume that what gets into government files under their jurisdiction belongs to them

**S**CHOLARLY gold diggers who have discarded picks and shovels for lead pencils and brief cases are working the rich fields of the nation's capital.

The golden nuggets and inexhaustible veins of the precious material are the confidential records in steel filing cabinets, the minutes of closed sessions of high policymakers, and the jottings of conversations with others who walk with the mighty.

Like all ore, the haul must be refined. The product appears as memoirs or disclosures, and the plain citizen pays generously to learn what his officials have been doing for or to him. The output suits all tastes—authors range from government chauffeurs to a President.

Memoirs—writing history the

way you want it—are not new, though circulation was limited in the days of quill pens and parchment, and even smaller when legends were chiseled on stone. Xenophon wrote up his campaigns 400 years before Christ; students still labor through Julius Caesar's version of what he did 2,000 years ago. John Eaton, an English pirate, employed William Cowley as a ghost-writer to give a "Forever Amber" touch to his best seller. His visit to Guam in 1865, has the entry:

"Whenever we saw anyone, we fired on them, except the females who were of great beauty and whom we desired. By the grace of God, we returned to England safely."

Nor are the rich Washington diggings a new discovery. The difference is that only the surface was scratched for 150 years. A departed statesman or his children would write a leisurely book and later biographers would extol or belittle his memory.

Only in the past ten years have





# N TAKE IT with You!

By JUNIUS B. WOOD



HARRIS & EWING

After 11 years as Secretary of the Treasury, Henry Morgenthau left office with a diary 987 feet thick



PRESS ASSOCIATION

From the Interior Department, Harold Ickes took a hayload of papers, insisting they were his

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1947



the actors themselves realized the possibilities of striking while the literary market is hot. They mined the filing cabinets while in office and departed with truckloads of pay dirt to work over in the quiet of private life.

The golden age for retailing official secrets is here.

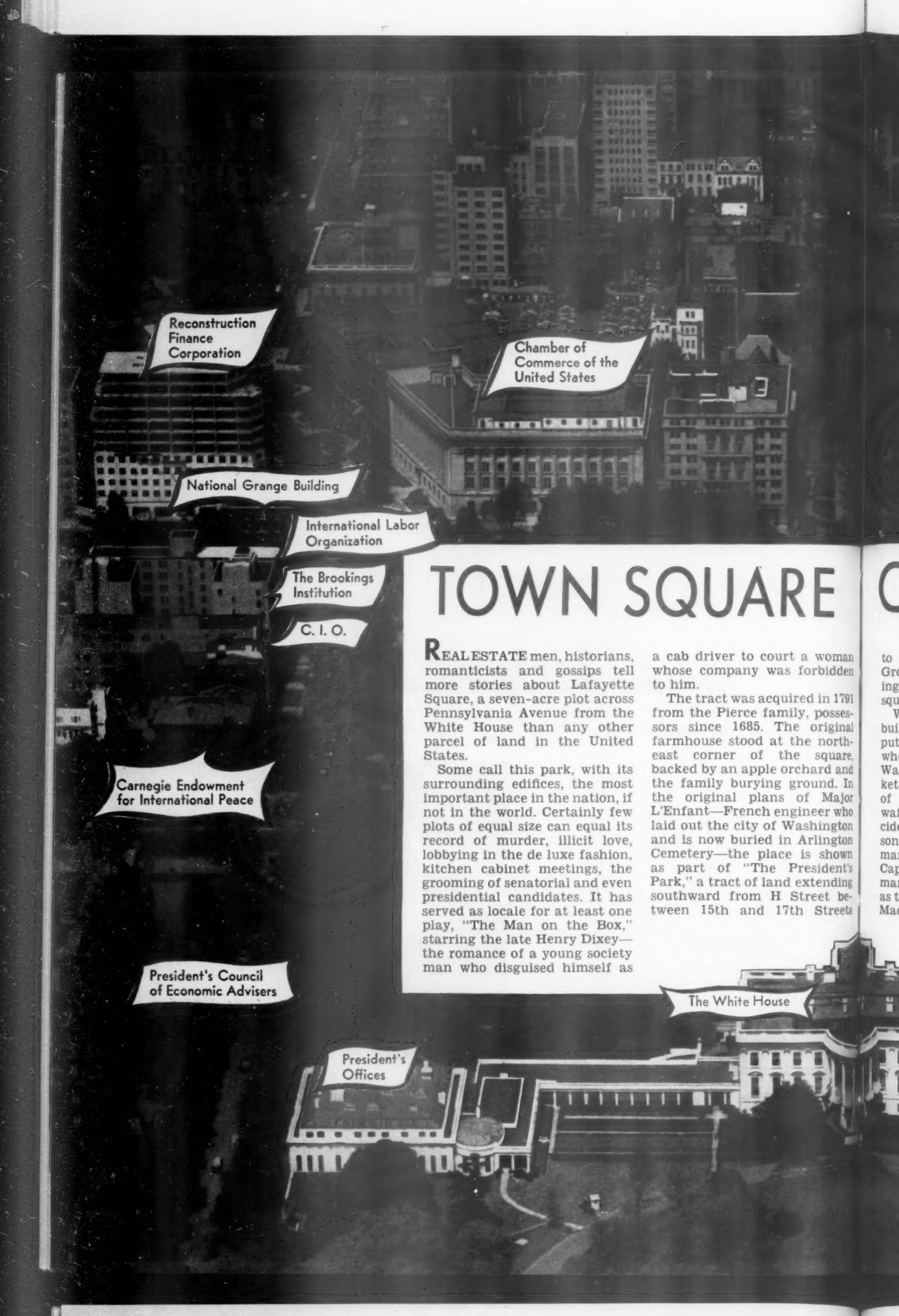
A magazine or newspaper serial as a curtain-raiser for a book is the approved technique, discovered when George Palmer Putnam, the publisher, decided that his friend, James J. Corbett, the prize fighter, had a story. Each morning, Gentleman Jim sat in the office of George T. Bye, author's agent, while a typist took down

(Continued on page 54)



COPYRIGHT PLANET NEWS

After having been Lend-Lease Administrator, Edward R. Stettinius turned out a book—from government records



Reconstruction  
Finance  
Corporation

Chamber of  
Commerce of the  
United States

National Grange Building

International Labor  
Organization

The Brookings  
Institution

C. I. O.

Carnegie Endowment  
for International Peace

President's Council  
of Economic Advisers

President's  
Offices

The White House

## TOWN SQUARE

**R**EAL ESTATE men, historians, romanticists and gossips tell more stories about Lafayette Square, a seven-acre plot across Pennsylvania Avenue from the White House than any other parcel of land in the United States.

Some call this park, with its surrounding edifices, the most important place in the nation, if not in the world. Certainly few plots of equal size can equal its record of murder, illicit love, lobbying in the de luxe fashion, kitchen cabinet meetings, the grooming of senatorial and even presidential candidates. It has served as locale for at least one play, "The Man on the Box," starring the late Henry Dixey—the romance of a young society man who disguised himself as

a cab driver to court a woman whose company was forbidden to him.

The tract was acquired in 1791 from the Pierce family, possessors since 1685. The original farmhouse stood at the northeast corner of the square, backed by an apple orchard and the family burying ground. In the original plans of Major L'Enfant—French engineer who laid out the city of Washington and is now buried in Arlington Cemetery—the place is shown as part of "The President's Park," a tract of land extending southward from H Street between 15th and 17th Streets



# E OF THE NATION

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to the Washington Monument Grounds. It was George Washington, himself, who named the square for his soldier-friend.

While the White House was building, workmen's huts were put in Lafayette Square and, when these were removed, Washington's first Center Market was established there. Odors of fish, meat and vegetables, wafting across the street, decided President Thomas Jefferson to improve the grounds. The market was moved nearer the Capitol and Jefferson, himself, marked the east and west limits as they stand today—now called Madison and Jackson Places. It

was not until 1826, however, that the Square was graded and enclosed by a paling fence. Later on it was planted to trees and developed into its present beauty. In 1853, it was ornamented with its first statue—not of Lafayette, oddly enough, but of Jackson.

Though Jackson never saw his own statue—made, incidentally, out of bronze cannon he captured from the Spanish at Pensacola, and so cunningly made with hollow foreparts and a solid rear that the prancing horse would balance even if unanchored—he did have the pleasure of staging one of the Square's most riotous parties.

At the time of his inauguration, when crowds overflowed the White House, the President,

Site of  
A. F. L.  
Headquarters

Veterans  
Administration

Reconstruction  
Finance  
Corporation

U. S. Treasury  
Annex

U. S. Treasury

Offices for top  
Presidential aids

to get the mob out, sent several barrels of whisky, with tin dippers at the side, across the street—where the fun began.

In 1853, too, an iron fence, the gates embellished with handsome eagles, replaced the wooden ones and laid the foundation for an interesting story.

A foreign ambassador and the wife of a fellow diplomat used to meet in the park. Engaging in love-making, they overlooked, until it was too late, the fact that the keeper of Lafayette Square locked the ornamental gates each evening at sundown. Trapped, the ambassador hid his light-of-love and waved a handkerchief for help.

Across the way, Abraham Lincoln saw the distress signal from the second floor of the White House, identified the prisoner through a spy glass and personally opened the gate.

In 1889 the iron fence was taken to Gettysburg to enclose part of the battlefield near Culp's Hill.

It was not until the turn of the century that a statue of Lafayette was erected in the southeast corner of the park. It is one of the showpieces of Washington, although Theodore Roosevelt decided it by saying, "A Frenchman on top, a half-naked woman on one side and two children on the other."

The female figure is symbolic of America handing the sword of honor to the French patriot.

### Kosciusko Memorial

ON the northeast corner, today is a memorial to General Thaddeus Kosciusko, in Continental uniform. Diagonally across from it is a statue of Comte Jean Baptiste de Rochambeau, commander-in-chief of the French forces in the War for Independence, while the Prussian-born hero of Valley Forge, Frederick William Baron Von Steuben, stands on the northwest corner.

Around the square, on all four sides, are places of importance from which the great and the near-great stream into the park.

In the center of the south side is the White House. Moving from there counter-clockwise around the Square, one finds the Treasury on Pennsylvania Avenue, the Treasury Annex on Madison Place. Next to it is the old Belasco Theater on the site of James G. Blaine's old home and beyond that

the home of Dolly Madison, now the Cosmos Club.

Across H Street, but with its main entrance on the corner toward the Square, is the present home of the RFC and, facing it, almost opposite the Kosciusko monument, is the Veterans' Administration.

Next to it, on H Street, is the Ashburton House where, in 1842 when it was the home of the British Legation, Secretary of State Daniel Webster and Lord Ashburton of Britain signed the treaty which established the United States-Canadian Boundary Line. This four-story brownstone mansion has been bought and soon will be occupied by the American Federation of Labor. The CIO is already housed on Jackson Place.

The A.F.L.'s L-shaped lot borders on two sides St. John's Episcopal Church where many Presidents—including Franklin D. Roosevelt—have worshiped.

Across 16th Street, which comes to a dead end at Lafayette Square, is the Hay-Adams House, a hotel named after the two statesmen whose homes stood on the site it occupies. Next to it is the Greek-columned United States Chamber of Commerce building on the site of Daniel Webster's former home. Daniel Webster's desk is now in the Chamber president's office.

A new building diagonally north-

Bladensburg for his fatal sunrise duel with Commodore James Barron. The Decatur House was restored recently and in the restoration several windows were bricked up. From them according to legend, the ghost of Decatur frightened passersby.

Unlike Madison Place, which has only three buildings, Jackson Place is crowded with old buildings which have made history and new ones which are making it today—and occupy sites made famous by the structures they replaced.

### Went to rendezvous

IT was to a Jackson Place mansion—now gone—that Dan Sickles, later a Union general, brought his pretty bride in the 1850's. It was from that mansion that she used to slip away to keep rendezvous with Philip Barton Key, son of Francis Scott Key, author of the "Star Spangled Banner." And it was in Lafayette Square, on a Sunday morning in February, 1859—while the parishioners of St. John's Church flowed into the street after meeting, that Dan Sickles shot Philip Barton Key to death.

Proceeding toward the White House from the Decatur House, one passes, in order, the National Grange building, the International Labor Organization, the Brookings Institution, the CIO building and the Carnegie Endowment for International Peace to stand, finally, at Jackson Place and Pennsylvania Avenue facing the old State, War and Navy building, now the home of the President's Council of Economic Advisers.

Also on Jackson Place, in buildings which have office space to rent, are headquarters or offices of the Cooperative League of the United States, the National League of Women Voters, the Conference of Mayors of the United States, the National Association of Food Chains, the National Candy Wholesalers Association, and many other organizations and firms which want to be near the center of the nation's activities and have found this spot ideally situated.

Perhaps as important during the war as any of these offices, was the park bench in Lafayette Square where Bernard Baruch held open-air meetings with leading statesmen and formulated several of his plans to help the United Nations.

—JACK J. DALY

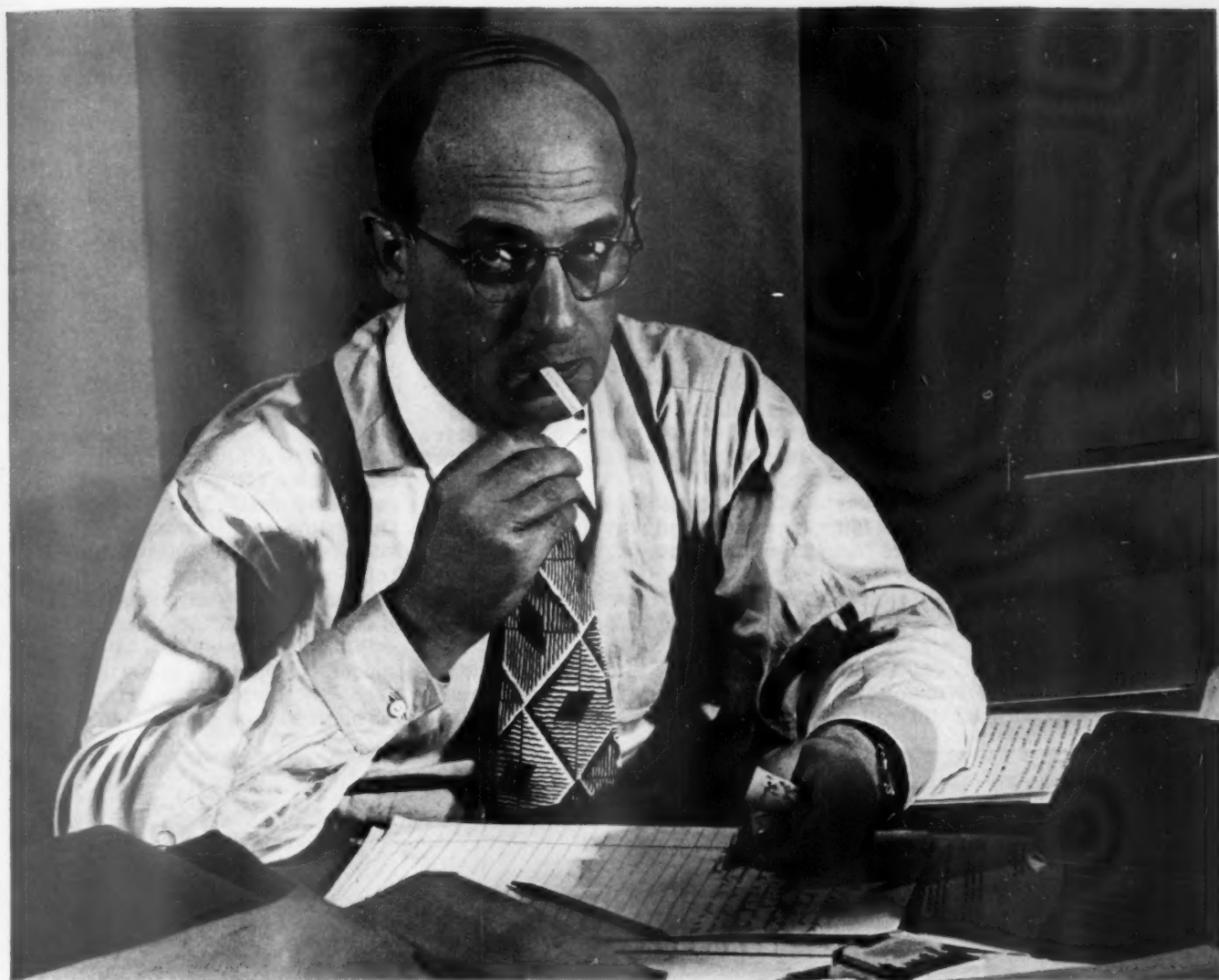


HORYDCZAK

west from the Park at H Street and Jackson Place also will house the RFC.

At the corner of Jackson Place and H Street, facing the Square from the west is the Decatur House, where the naval hero and scores of other celebrities lived in the past and from which Decatur walked to





FORD NEWS BUREAU

# Harry Is for the Headaches

By LAWRENCE GALTON

**WITH common sense and a light touch, Umpire Shulman has kept two touchy giants as happy as bees in a bonnet**

"THE Case of the Lady in Red Slacks" sounds like, but isn't, a Perry Mason mystery. It concerns a woman employe at the Ford Motor Company who was docked half an hour's pay for distracting men workers by wearing bright red slacks.

She protested. The United Automobile Workers protested. The protests finally reached Harry Shulman.

Shulman's decision was that the company was wrong since it didn't object to bright green slacks "yet it

is common knowledge that wolves, unlike bulls, may be attracted by colors other than red and by various other enticements in the art and fit of female attire."

The decision is typical of the persuasive common sense of a 43 year old Yale professor who, in the past three and one-half years, probably has settled more potential trouble than any other man in the U. S.

As permanent umpire between Ford and the United Automobile Workers, Shulman has kept two

touchy giants about as happy as a couple of bees in a bonnet. There has been some buzzing around but so far nobody has been stung.

Shulman can't stop wage disputes and, if the UAW decides to get an increase or strike, Shulman isn't supposed even to try to stoke or bank the fires.

His job is to keep everyday affairs running smoothly, to settle grievances. He has settled more than 2,000.

His efforts range from establishing that a two-week layoff is a reasonable penalty for hitting a foreman with one's fists but firing is in order when a blunt instrument is used, to deciding that, if it's necessary to open plant windows to let out fumes on a cold day, you can't dock the workers for

shivering in a corner until the windows are closed.

There was also the employee fired after seven months for being too slow, with the union admitting that its man was no speedster but neither was the company. ("Why should it take seven months to find out his ability?") This controversy Shulman settled with the sentiment that the company had been slow all right but its delay didn't give the worker "a vested right to inadequate production."

Now, such little matters are surprisingly important for industrial peace. Grievances, say the serious labor-management thinkers, are not so vital—apparently—but are often more so—actually—than wage disputes. While the latter get the headlines, and provide the big periodic upsets, the former are the constant daily headaches.

There are facts to prove it.

According to present government estimates, there are 50,000 separate union labor contracts and 1,000 expire each week. Nine out of ten are renewed without difficulty.

Even in 1946, a really punchy period, only 15 per cent of employers of more than 50 people are estimated to have had wage strikes. But 65 per cent had trouble with grievances over interpretations of union contracts.

### Disputes are frequent

CONSIDER that when two parties sign a set of terms in a contract, the two parties still remain two and have their own ideas on what the terms mean. Consider that disputes over meanings in commercial contracts between buyer and seller, for example, are so frequent that they fill up our court calendars.

Understanding this, it isn't hard to understand why grievances over interpretations of union contracts are so frequent and the need to settle them before they erupt into slowdowns and stoppages is so important.

What many find hard to understand is how Shulman has been so successful.

Even his best friends admit that Shulman looks like no Solomon. Instead, being short, baldish and self-effacing he has all the impressiveness of a blue-plate special.

And a hearing before him is equally unimpressive, particularly in view of all the fuss and furore that precede it.

A case that reaches him usually has been fought up through three prior steps. The minute Joe Doakes, worker in any Ford plant, thinks he's aggrieved about anything, he calls for his committeeman or worker representative. The latter hustles around to see Joe's foreman. No satisfaction, and he appeals to a Labor Relations Unit Committee (three union and three company men). If this doesn't end the grievance, it goes to a plant-wide review board (four union and four company men). Finally, for still-unsettled disputes, there's Harry Shulman, the umpire.

Poised at the peak of all this unsuccessful palaver, one would suppose the umpire's hearing would be bound to be at least court-like



FORD NEWS BUREAU

**A UNION** which learns to discipline itself gets more in the long run



if not actually stifling with solemnity and bristling with legalisms. It's the reverse.

Bustling out from New Haven for three days every two weeks, Shulman plants himself, somewhat sleepily, at the head of a table in the conference room of his suite of offices in downtown Detroit. Ranged around the mahogany are union and company representatives.

The umpire knows nothing about the day's batch of troubles until he broods over the short brief of each case filed by company and union. He listens, with half-shut eyes, to witnesses for both sides who testify without even being sworn in. He listens, also seemingly somnolent, to cross-examination by Monroe Lake, union advocate, and Bob Campbell, company lawyer.

These two provide whatever show there is. Stocky, fiery Lake shouts and presses hard at witnesses.

Big, blond, gum-chewing Campbell grins casually, interjects

barbed questions and wry take-offs on Lake.

Shulman interrupts the wrangling only when it detours wide of the point or gets too legalistic. A mild grunt stops Campbell, knowing lawyer. With Lake, it takes more.

Lake admits it. "Being an old-time dingman," he says, "a guy who knocks dents out of car bodies, I got no legal background but I like to spout off and put on a show for the union guys in the room. Shulman says, relax. 'Lake,' Shulman says, 'as long as you don't get legalistic, we'll give you the benefit of the doubt on legal form since you're no lawyer.'"

### Quibbling over smoking

THE lack of legalism works for both sides. Recently when an employe was caught smoking in a plant lavatory, Campbell, preparing to defend the punishment, talked to the plant protection man who had discovered the offender, and the protection man an-

nounced: "Sure, I saw smoke coming out of the closet and I yelled, 'Are you smoking in there?'"

"You had to ask?" Campbell said.

"The rules say so."

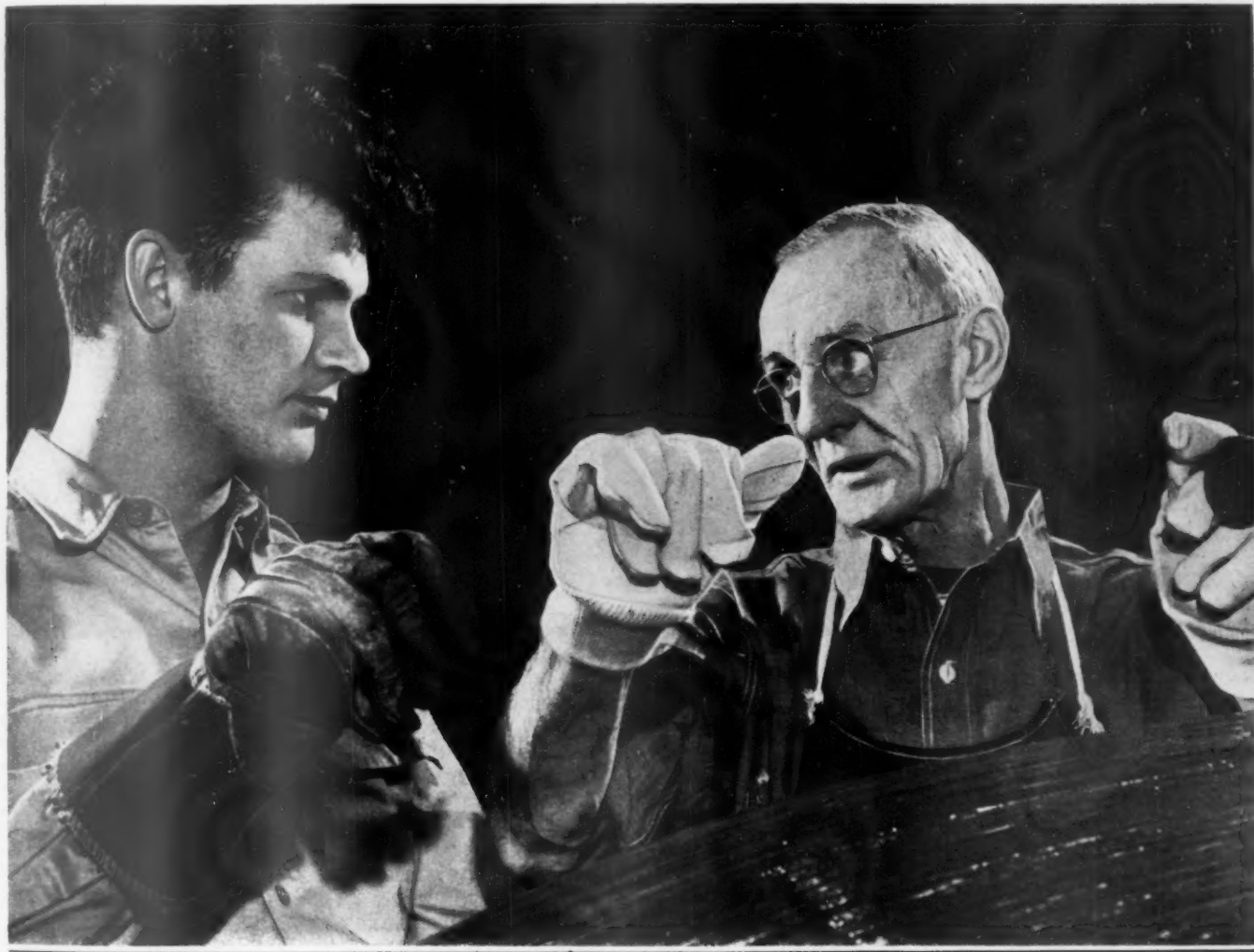
"I can see it now," Campbell sighed, "Lake jumping on you at the hearing, trying to prove the question indicates a doubt."

Lake did jump—in full fury and triumph.

"Let's," said Shulman, stopping him promptly, "not quibble. The man was sneaking a smoke and the rules say no smoke." When the decision came down, the company won.

In a single day Shulman may hear as many as 40 cases. When he's had enough on each, Shulman says quietly, "That's all." Which suspends speeches in mid-air. Frequently, after an office hearing, Shulman trots around to the plant to observe the friction involved on its home grounds.

He rarely hands down a decision at a hearing. That's because he  
(Continued on page 65)



FORD NEWS BUREAU

**GRIEVANCES** must be settled before they have turned into slowdowns

# Why Humans Act



He'll walk for miles, be happy in the locker room to find he's lost five pounds. He'll

**W**ITH so much discussion these days about the need for understanding among nations, it seems to me that somebody ought to take time to answer a question that is burrowing at the very foundations of our domestic tranquillity:

"Why, if you need exercise, don't you get out there and cut the grass instead of playing golf?"

That question on the lips of American women can gnaw at the vitals of the American home. It makes for deceit by otherwise straightforward and upright men. I have a friend who sneaks out of bed when he hears the paper boy coming. Standing in his pajamas, he lures the perplexed boy nearer, thrusts a bill into his hand and says loudly:

"So you would like to cut the grass? Well, I had intended to cut it myself, but I like to encourage a youngster who wants to get ahead."

No wife should drive her husband to this duplicity. Besides, such subterfuges are unnecessary. There are excellent reasons why a man prefers golf to cutting the grass.

Listen madame:

Do you want a husband who is content to dodder along in the same old rut, or one who thirsts for new fields to conquer, who has a zest for adventure, who thrills to competition, who takes hardship, despair and disaster in his stride, and who has something of the cavalier spirit which dressed his



# Like Golfers By WIFFY COX

**DON'T SELL a man short just because he prefers golf to mowing the lawn. Let a pro tell you why**



put on six later but think nothing of it

ancestors in perukes and lace cuffs? If so, do you think he will find these things in his business? He won't. Neither will he find them mowing the lawn. If he's one of the fellows between 45 and 65 or 70, to whom golf owes its support, he can take his business in stride. He knows it already and has achieved sufficient success in it so that he can afford the time to play golf.

Follow him to the golf course.

Watch as he and his fellows fare forth from the tees, in formations of two, three or four—men in flannels, in shorts, in multicolored shirts. Men with bow legs, spindly legs, hairy legs. Gray-haired men and dark-haired men, youth and age; the bus

driver, the riveter, the lawyer, the banker, the man from behind the department store counter.

Watch the cares of this world and the fears of the next fade as he steels himself for competition, not only against his fellow players but against the perverse little white ball with which he, for the moment, pauses alone in all the world. There is no mob to cheer him or give him strength, no bands to play, no outward urge to fortitude, no trumpeting calls to heroism as he draws back his club and mentally beseeches the ball to respond. Down comes the club and there is a momentary darkness of doubt with the lights of the world turned out. Then, presto, the lights come on again.

Watch as—if he is lucky—the little ball sails away in one of the most graceful curves known to man. Artists have glorified the plane in the sky, the ship at sea, the lithe beauty of the coursing greyhound, but no brush has ever done justice to this nugget of rubber energy streaming through the sunlight.

And see your husband standing there on the elevated tee, contemplating that flight, lost in the beauty of it. There is more than serenity there, madame. There is quiet, inner exultation, a sense of accomplishment, of victory against the perversity of inanimate things. He is no longer a tired, be-jowled man of work and strain. His desk-cramped chest is expanded, his stomach drawn in, his head thrown back.

Watch, now, as he swings off after that chastened pellet, alert and eager to face the uncertainties that lie ahead. His feet may be killing him, but he strides

**More than serenity comes with a well hit tee shot**



as strode the pioneers with whom he is briefly in communion. Golf has given him a sturdy masculinity through which you may glimpse again the Lochinvar who swept you off your feet with promises of derring-do.

Would you trade that for a well-kept lawn?

Of course, the ensuing minute may find him in a sandtrap, thrashing about in perspiring ineptitude, an anguished spirit invoking the devil's wrath to take the ball and him with it. But let us draw a curtain on this spectacle, madame, remembering that only those who are more than men take dignity to the torture chamber.

**Having accepted**, then, that your husband would rather play golf than mow the lawn, and seen why he takes this position, it is only fair that you should be prepared to accept as normal several phenomena which may strike you as peculiar to your husband. Actually, they are peculiar only to golfers.

In my 40 years of golf, I have observed and played with all the types that participate in this great game which, according to Grantland Rice, is a sport for all the ages from ten to 80. John D. Rockefeller, Sr., played the game at the latter age, moving around the course on a specially built wheeled device.

However, I am accepting that the men we are discussing here are from 40 to 65. They still long for exercise but find other sports—except hunting and fishing—too physically demanding. There are few of us in this age range who do not yearn to get back to that communion with nature that thrilled us as kids—the trees, the green grass, the canopy of sky.

If your husband is taking up or coming back to golf in middle age, he has probably convinced himself that he needs relaxation and is determined not to take the game too seriously. Discount that.

Americans are out to win. What he is likely to do is set up a counter-intensity, not let down. The Englishman will say, "It was a bully game," and let it go at that. The American will say, "I beat the so-and-so," and spend two hours over the score card, playing each hole again and again.

I knew an eminent journalist who, after a month with the game, impatiently gave away his \$150 set of clubs and vowed he wouldn't play a game which made such a fool of him.

Months later he sneaked back with the same determination that had made him a success in his field.

A man who has been successful in other endeavors is likely to lose confidence if he can't master this game, too. For that reason, although he may ignore his doctor's orders, he will follow the instruction of anybody from caddy to professional who has a tip that may reduce his score. Most of the advice will be to "keep his head down."

I remember an Englishman who played with a monocle in his eye and would approach the ball admonishing himself, "Damn it, sir, keep your head down. You hear me?"

If he dubbed the shot, he would slap himself.

And one of our former ambassadors who has stood confidently before kings and potentates, hovering uncertainly over the ball, murmurs, "Charlie, you simple-minded this-and-that, keep your head down."

This will to win will cause him, after he loses a match, to sit naked on a stool before his locker, a highball held dejectedly in his hand, thinking about the putts he missed and the drives he sliced, losing sight completely of his good shots, or of the



That first drive is the big crisis to the average man

ball that rolled clean across the green and into the cup.

Only one in a thousand has the humility of the clergyman, who, dubbing shot after shot, said more in sorrow than in anger:

"Dear Lord, it's not the caddy, it's not the club, it's not the course; it's me, Oh Lord, it's me."

**For the average**, middle-aged golfer, this is about the season of his doldrums. He came out of his winter hibernation and, in a few weeks, broke a hundred. The feeling of elation on this occasion is one of the most ecstatic experiences of man. He had assured himself that this was all he wanted to do, that all he desired was a comfortable game. Then he set out to break 90. If he accomplished that, he moved on relentlessly to break 80. It is at this stage that something is likely to go whoosh and his score jump back up to 110. It is a personal catastrophe. As Tommy Armour used to express it: "The 'yips' have got him."

In his frenzied search for a solution he will dose himself with all sorts of bizarre tips offered by well-meaning friends.

"Most players don't want to be told what they are doing wrong," one will say cautiously, "but you ought to bring your right hand farther under on the grip."

The victim will practice hours before a mirror, placing his hands this way and his feet that way, while members of the family shake their heads in concern over his mental state. Just as he would rather suffer pains in his stomach than go to a doctor, he will stubbornly resist taking his troubles to an instructor.

With dogged determination he wants to work them out himself. He will read books on the game, what Bobby Jones said, Sam Snead and the rest. As likely as not, he will end up with a grip like Snead, a stance like Walter Hagen, a swing patterned after Byron Nelson and tie himself in a knot like the liniment ads so often depict.

His trouble is only that he has tried to overstretch



himself. The tips of his friends and his own efforts may be at complete variance with his physical capabilities. Height, strength, build and age are factors in each individual's method of play; no one type swing will fit everyone.

But, as nature has a way of compensating the ailing, so it will eventually give this player a philosophic outlook and return him to his game. When you hear him saying in the locker room that he "enjoyed the exercise" you will know that he's been saved.

**Actually a score** of 85 or 95 should be satisfactory to nearly every man—there are more who shoot 100 plus—and with such a score he will be able to team up and play with the best in his field. If he is timid with his 95 he quite likely will be surprised to find that his opponent who claims to shoot 85, is "off his game" that particular day. He has a new pair of bifocals or he didn't sleep well the night before. If our hero feels that a 75 is essential to his ego, a good way is to do as Al Smith reputedly used to do, quit when he reached that score regardless of the particular hole he was on. I know one player who has happily worked out his problem by measuring his game in the time required to play, rather than strokes.

"What did you go around in?" he is asked.

"About three hours and a half," he will reply.

**I think it is a fiction** that big business deals are consummated on golf courses. Although a golf foursome is close together for about six hours, assuming that they lunch together and tarry awhile at the "nineteenth hole," even the most careless players are too intent on their game to pay much attention to business.

Even in foursomes where banter is the rule, one who is off his game will keep to himself, steeped in his misery. The inevitable storyteller who tries to tell about the traveling salesman as the players walk from the tee, will invariably find himself getting hollow laughs from three different directions as his auditors scatter to their balls, thinking less of the point of the story than of what they intend to do with the next swing.

But deep friendships are made at golf. A stranger of a few hours before who enthusiastically wrings your hand at the eighteenth green and exclaims: "I enjoyed playing with you," is unconsciously talking about his own game, but he feels an outpouring of warmth for you.

Conversely, it is a gamble to play with the boss or someone with whom it is desirable to make a deal. Golf human nature being what it is, he is as likely as not to take a dislike to his partner in a bad game. Unconsciously, he may associate fellow players with his miserable experience.

**The first tee** is always a crisis in this middle-aged, average golfer's life. He walks around nervously swinging the club, and beneath his effort of give-and-take

in the inevitable banter, he wants so badly to hit that first ball. Not only is his own foursome watching him, but two or more other foursomes as well, and, in his imagination, he sees a thousand eyes peering out of the clubhouse.

That first ball, if it is a good one, will make up for a lot of oncoming sins. If he is playing in a foursome of strangers, he knows he has impressed, perhaps intimidated, them. If he dubs the second one, well, it was just a mishap.

**The golfer** is an impulsive and contradictory man. He will get red in the face arguing over a 50 cent Nassau and then spend \$10 on those from whom he has won.

He will drag himself over hill and dale and finally into the locker room where he will take a shower and weigh himself. Pleased that he has lost five pounds, he will proceed to put on six at the bar.

But, as one fellow explained:

"Suppose I were to put on the six without taking off the five."

**It is my belief** that, with the continual development of aviation, the inveterate American golfer's zest for the game will take him to distant fields. We will see him gesticulating with caddies in Brazil and Argentina, in North and South Africa, in India, Italy and so on around the globe. He will seek the courses of these lands as he now seeks those of California and the South in the winter. And he will find well laid out courses wherever he goes, because those countries will have to have them for their own people as well as the tourist trade.

I predict that our national tournaments will spread into international competitions with as many as 50 or more nations represented. The present tournament trail will encircle the globe. It is about as good as any way I know of to bring sportsmanship—and peace—to the world.



A positive way to get blasted is to offer sympathy after a poor shot

## You Can Take It with You!

(Continued from page 43)  
and polished his rambling reminiscences.

"And who was another one?" Mr. Bye asked recently, turning to Ida G. Henley, who still remembers the typing.

"You mean that man who used so many words that couldn't be printed," was her identification of the religious but salty seadog, the late Bob Bartlett.

Like the grizzled prospector who held off claim-jumpers with a gun, the silk-hatted Washington miners bar interlopers with executive orders. Any rush to the Washington gold fields is discouraged. Humble employes who might glean a few sparkling flakes are blanketed with orders not to write for publication. At the same time,

information to eager beavers who write for a living is screened through chosen outlets able to garb a lonesome fact with a plethora of words.

Government papers are classified as restricted, confidential, secret and top secret and, in some offices, the carbons are burned each evening. Officials on higher levels can ignore such restrictions, however, and no penalties are invoked. They often use information that is not known even to their associates until it appears in print. The work also is done on government time.

After Oetje John Rogge returned from Europe with a report on Nazi cartels, it reached a private printer. Rogge explained that the public was entitled to it. His inference

was that the Department of Justice, which had detailed him to make the study of German cartels, could not be trusted to circulate the report covering his findings.

As an official grab-bag, nothing ever has equalled the so-called diary of Henry Morgenthau, Jr., secretary of the Treasury for 11 years. Instead of being measured in words, its contents are computed in cubic feet like building blocks. It rises to 987 blocks, or volumes, each about one cubic foot.

Mr. Morgenthau does not consider his diary confidential. He invited John W. Snyder, his successor, to send a staff to take anything that was wanted. A group of researchers under Prof. Allan Nevins, a former New York newspaperman now on Columbia University faculty, has worked for months on the collection.

### A file of all papers

APPARENTLY Mr. Morgenthau never discarded anything. In addition to letters, photostats, transcriptions of telephone conversations and important meetings, and his own recollection of private talks and conferences, no scrap of paper is missing.

If the late President Roosevelt cracked a joke at the expense of his somber friend, it was remembered and written in the diary, or if he scribbled a note at a cabinet meeting, it went into a pocket to be pasted in later. "Oh, what I'd do to be out of here and have a nip from that bottle in the other room," is one nugget which other cabinet members did not see.

The problem for those editing the diary is not to select what is interesting, but to reject what is too explosive. Suggestions from the White House not to bear down too heavily on certain friends did not budge Mr. Morgenthau. Nor did similar advice to build a fire under others annoying the Administration. Mr. Morgenthau's frequent mention of his theory that our country can be wrecked by the money powers also may not be perpetuated in print.

*Collier's* has contracted for six articles from the diary with an option of ten at \$10,000 each. Simon & Schuster have the book rights. They'll look over the manuscript before making a decision.

Like other commodities, memoirs face a buyers' market. After being left with several lemons on their hands, publishers are chary of buying everything sight unseen. The *Saturday Evening Post* puts an



The Franklin D. Roosevelt Library houses three van loads of White House papers. The Government wonders who should pay the bill



# Can you answer these questions about HIGH BLOOD PRESSURE?

## Q. What is high blood pressure?

**A.** High blood pressure, or hypertension, is a condition in which the pressure of the blood against the walls of the arteries and their smaller branches shows a persisting and large increase above normal. A temporary rise in pressure, such as may

result from physical or emotional strain, is a perfectly normal reaction, and is NOT high blood pressure. However, if such rises occur frequently and are excessive, they may indicate a tendency toward hypertension in later years.

## Q. What are the causes of hypertension?

**A.** Sometimes high blood pressure is associated with kidney ailments, local infections, or glandular disturbance, but the cause in most cases is unknown. It is known that hypertension occurs most fre-

quently among those who are *middle-aged or older*, those who have a *family history* of hypertension, and those who are *overweight*.

## Q. How does hypertension affect your health?

**A.** Persistent high blood pressure makes your heart work harder and nearly always results in enlargement of the heart muscle. The arteries are usually affected, and there may be damage to kidneys,

eyes, the blood vessels of the brain, and other organs. Fortunately, if *discovered early*, hypertension can often be controlled.

## Q. How can you tell if your blood pressure is too high?

**A.** You can't, for high blood pressure often has no symptoms. But if you have periodic physical examinations your physician will check your blood pressure regularly. His guidance can probably help

you keep your blood pressure down, or, if it should go above normal and stay there, he may be able to start corrective measures at once, before serious damage has been done.

## Real hope for those with high blood pressure

Thanks to modern medical science, people with high blood pressure today can often avoid serious complications, and enjoy a long and happy life . . . especially if the condition is discovered in its early stages.

In many cases treatment such as diets, rest, elimination of infections, reduction of weight at least to normal, and special drugs may be necessary. Surgery has been used effectively in some instances, and psychotherapy has

proved helpful at times.

Medical science is constantly increasing its knowledge of high blood pressure. Aiding in this work is the Life Insurance Medical Research Fund, supported by 150 Life Insurance Companies, which makes grants for special research in diseases related to the heart.

To learn more about this subject, send for Metropolitan's free pamphlet, 87-P, "Blood Pressure — Everybody Has It."

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**TO EMPLOYERS:** Your employees will benefit from understanding these important facts about high blood pressure. Metropolitan will gladly send you enlarged copies of this advertisement — suitable for use on your bulletin boards.

**TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!**

"if" clause in some of its contracts and an article is accepted only "if" as good as expected.

Several magazines wanted a series from James F. Byrnes, former secretary of State, before he signed with the New York *Herald Tribune* which will also syndicate it to other newspapers. Mr. Byrnes explained that he does not understand magazines and is more comfortable with newspapers. Harper Brothers has the book rights.

Others may write from memory, but Mr. Byrnes has his own record. In his younger days he was a court reporter. Associates at world conferences picture him as busily inscribing pothooks while foreign confreres imagined he was absent-mindedly doodling. He is dictating his story and about 60,000 words already have been set down. A suggested title is "Speaking Frankly," which may be possible since he is no longer a judge or diplomat.

#### Agents pilot official writers

AUTHOR'S agents are the unsung kingmakers who pilot the literary atom bombs. Enough official names can be picked from Mr. Byrnes' clients to form a presidential cabinet. It might not be a happy family, but each has the inside dope. On that list, telling their story or on the starting line, are William Benton, Spruille Braden, Harry C. Butcher, James F. Byrnes, Clare Booth Luce, Henry Morgenthau, Jr., Frances Perkins, Eleanor Roosevelt, Elliott Roosevelt, Franklin D. Roosevelt, Jr., Samuel I. Rosenman, Harold E. Stassen, Mrs. Joseph W. Stilwell and Grace G. Tully.

John N. Wheeler, who has introduced many authors to newspapers, placed six articles by Gen. Mark Clark on the African invasion for \$3,000 each. Several years ago President Paul Reynaud of France netted \$24,000.

Gen. John J. Pershing's newspaper serial brought him \$270,000, with an additional \$75,000 advance for the book rights. The General wrote it himself with the help of his Army field clerk.

Gen. George C. Marshall, who is tops among what Army cliques call "The Pershing Boys," is the only secretary of State in the last quarter-century who has not written a book or magazine article. Henry L. Stimson was discreet while secretary of State, but made some surprising magazine disclosures on the atom bomb after succumbing to the New Deal writing fever while secretary of War. He's now editing his diary.

General Marshall has rejected all overtures so far, but his annual reports as Chief of Staff were literary masterpieces and publishers are persistent. Gen. Douglas MacArthur is more receptive but has not answered "Yes" or signed a contract.

In 11 years as secretary of State, the longest of any man, Cordell Hull did not accumulate many packing cases of material, but his memory is keen. About 95 per cent of 500,000 words has been written for him by Col. Andrew Berding, a former Associated Press and Buffalo *Evening News* man, now with the Brookings Institution. The Macmillan Company will publish two volumes and overtures have been made for the serial rights.

Edward R. Stettinius, Jr., wrote a book about Lend-Lease which he had administered. Though prepared from government records and by federal employes, it was published by a private firm. Profits went to the Red Cross, but the Public Printer could have sold such a government report, financed by the taxpayers, at one-tenth the price.

Tapping government files was not needed for disclosures of intimate Roosevelt politics by James A. Farley, former postmaster general and chairman of the Democratic National Committee. Walter Trohan, a Washington correspondent of the Chicago *Tribune* and frequent contributor to NATION'S BUSINESS, put them into shape and Collier's paid \$10,000 each for five articles. Whittlesey House advanced \$7,500 on a book.

The late Harry L. Hopkins, once

secretary of Commerce and intimate of President Roosevelt, and Harold L. Ickes, former secretary of the Interior, were industrious magazine contributors while in office. According to publishers, Mr. Hopkins, while close to the President, rated \$5,000 an article; Mr. Ickes was quoted at \$2,000 but would settle for \$1,000. Servitors of the latter lamented his innocence of the writers' code which prescribes that the man whose name is on both article and check give the ghost-writer a cut in the fee.

Mr. Ickes is now expressing his loves and hates as a newspaper columnist. Robert E. Sherwood, dramatist and New Deal speech-writer, is working on the memoirs that Mr. Hopkins did not finish.

#### War conferences by Hopkins

THE Hopkins' articles are expected to lift the lid on war conferences and the Roosevelt Administration. Collier's has signed for ten articles at the usual \$10,000 each. The book rights will add more. The estate, when probated without the literature, was only \$10,521.

The same magazine serialized the Roosevelt story by Frances Perkins, former secretary of Labor. Mme. Perkins (Mrs. Paul Caldwell Wilson) dictated everything she remembered to her secretary. The typewriter survived but Mme. Perkins was dizzy at the end of 200,000 words. Howard Taubman, New York Times music critic, was detailed to pick and choose and a heart-throbbing book emerged.

The diary of former Capt. Harry



"Could I interest you in a can of wood filler?"



C. Butcher, naval aide to General Eisenhower, was snapped up sight unseen. Mr. Butcher had a reputation as a writer on farm topics and as a radio executive. Other officers were court-martialed, dishonorably discharged and their diaries confiscated for violating strict orders against keeping such records, but Captain Butcher was as privileged as a cabinet officer.

The *Saturday Evening Post* put \$175,000 on the table for six articles when his agent declared: "I can get \$200,000 from newspapers." Simon & Schuster followed with a \$25,000 advance on book royalties.

The Butcher manuscript was a mass-production job. The diary was microfilmed and thrown on a screen in the War Department's Pentagon Building in Washington. As the words unrolled, an editor would order: "Stop," and, to the stenographer: "Take that down," with an Army censor occasionally ruling: "Cut it—still secret."

#### Roosevelt family history

MRS. Eleanor Roosevelt stands as the most prolific of the New Deal literati. The *Ladies' Home Journal* paid \$50,000 for six articles and Bruce Gould, editor, was so pleased that he took seven more. What she is writing now is described as: "History handled without gloves but with manicured hands."

It is the intimate story of her distinguished husband and the Roosevelt family and the culminating years in the White House. Mrs. Roosevelt is writing it herself and those who have seen the nine chapters already finished are confident it will be her best effort. The same magazine has an option on serial rights.

While President Roosevelt was in office, Random House and the Macmillan Company published nine volumes of his speeches and other state papers. They carried the personal copyright of Franklin D. Roosevelt, but that covers only his comments and annotations.

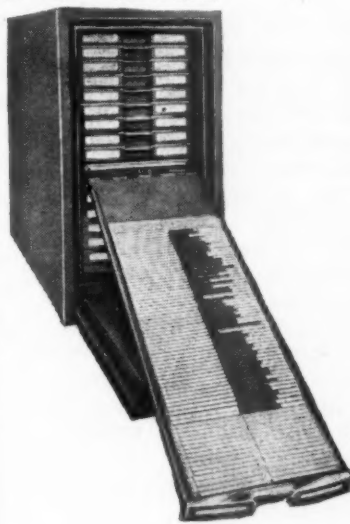
Four more volumes are being prepared by the late President's close friend and adviser, Judge Samuel I. Rosenman.

Since a speech of Henry A. Wallace, where the then secretary unwittingly read out, "It's getting monotonous, put in a joke here," speculation on how much of a busy official's fulminations are ghost-written has become a popular indoor sport. Photostats in the forthcoming volumes will show important speeches as originally



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drafted by Judge Rosenman and others and what changes were made by the President before he delivered them.

In publishing circles, the sensation of the day is the promised five volumes of more than 1,000,000 words by the late President's associate in history-making, Winston Churchill. Serial rights for the western hemisphere, exclusive of Canada and British possessions, have been purchased jointly by the New York *Times* and *Life* magazine. Houghton, Mifflin & Co. have the book rights for the same territory.

The formal announcement states that "more than \$1,000,000" is to be paid for the serial rights. The literary rialto fixes the amount at \$1,200,000. Out of that only \$30,000 may survive for Mr. Churchill after income taxes and expenses. He will net something additional from book rights and serial publication in other parts of the world, but the latter is not expected to be more than one-tenth of what he receives in the United States.

The serializers have the privilege of using 40 per cent of each Churchill volume. They expect to publish 60,000 words, divided over five weeks. The New York *Times*, not carrying an instalment on Sunday, will have first publication on three days of each week.

*Life* will then appear with the week's entire quota, including the other three days. Publication will be limited, under present plans, to the one newspaper and one magazine.

### Several years' work

MR. Churchill will be 73 years old Nov. 30, and several more years of work are ahead before his task is finished. It is understood that the contracts will be void if he is unable to finish. However, the present holders will have first call on the estate or on others who may carry on the work. Payments will be made as instalments are delivered.

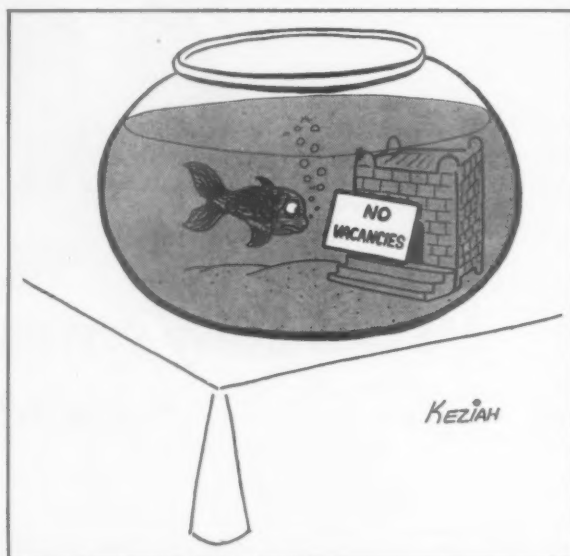
His publishers emphasize that all statements are corroborated by official records. Of particular interest to Americans is: "The documentation will, of course, be made public with the consent of the British Government."

The furor in and out of Congress in recent months has disclosed that our official scribes do not

need government consent. Each one decides what are public records and what are private records and calls a moving van.

Three van loads went to the Franklin D. Roosevelt Library in Hyde Park, N. Y. Though on the Roosevelt estate, the library is part of the National Archives, with Solon J. Buck, archivist, as administrator. He explains that the Government has legal but not physical possession of the papers. The Government waits on a New York court decision as to whether the Roosevelt estate or the public treasury shall pay the modest cost of moving them.

Mr. Ickes rumbled away from the Interior Department with pa-



pers estimated to fill 50 filing cases, insisting that all were his. A man who held 35 different offices in 13 years, had every telephone conversation taken down by a stenographer on another wire and assigned a \$4,600 clerk to collect congressmen's postage-free envelopes with facsimile signatures, could collect a lot of paper.

Taking home a memento is an old Washington custom. When a former postmaster general shipped home the iron fence from the local post office, it became a national issue, though the fence had been condemned as scrap iron and paid for.

An enraptured society editor, after a recent visit to the family estate of former President Rutherford B. Hayes, who left the capital in 1881, wrote: "The iron fence which surrounds the vast property in Fremont, Ohio, and the massive iron gates complete with Presidential eagles, actually were around the White House during the Hayes Administration."

When President Hayes returned

home, a year before the founder of the Roosevelt Library was born, he built the Hayes Museum in the family park for historic state papers, letters, paintings and furniture which had accumulated during his administration. In those days, each new tenant furnished the White House. Newspapers reported that when Chester A. Arthur moved in, also in 1881, 24 carloads of stuff were moved out, though his predecessor, James A. Garfield, had lived there only six months.

That state papers can be assayed for gold is a comparatively recent discovery, but every President since Washington has felt free to take or leave what he pleased. Some years ago, Prof. John H. Latane, while rummaging in the State Department attic, found boxes of forgotten papers of Washington, Marshall, Webster and others. One letter to Washington was from a Massachusetts matron who demanded the recall of Benjamin Franklin as Minister to France because a dancing girl had perched on the frugal philosopher's knee at a Paris banquet.

### Congressional Library

THOUGH far from complete, the largest assortment of such papers is in the Congressional Library in Washington, acquired by

gift and purchase. Robert Todd Lincoln deposited 46 cases of his father's papers, more than 10,000 items, with instructions that they should not be opened until 21 years after his death, or on July 26 of this year.

Most of the papers of the two Adamses and many of Jefferson's are with the Massachusetts Historical Society in Boston. John Quincy Adams was a child prodigy who started a diary at the age of 14, when he was secretary to the American Minister at St. Petersburg, and kept at it for 67 years. Former President Harding's widow is said to have burned his papers. Herbert Hoover's are at Leland Stanford University.

One proposal is that a board under the supervision of the Librarian of Congress and the National Archivist screen all documents before moving day arrives. The use of carbon paper would help provide more copies. But "Thar's gold in them papers," and there seems to be a strong urge to take everything in sight.



## The Conscience Store



**T**HERE'S a grocery store in Byington, Tenn., where you can buy everything at cost price. If you're mean enough. Carl Cruse, proprietor, and an experienced grocer, is banking that human nature, being what it is, you won't be too hard on him.

He's been doing all right—in fact, better than he did before the war—since he put up his sign, "Everything marked at cost price. Add whatever profit you wish."

His volume of business has doubled, his customers have allowed him more than 20 per cent profit.

The customers seem to like the system. Rhoten Byington, a leading citizen of the community—the town was named for his family—said:

"I bought a case of soft drinks at cost, 80 cents. I figured the merchant should have 20 per cent profit, so that made the total cost 96 cents. Ordinarily, I pay \$1.20, so I saved 24 cents on the case."

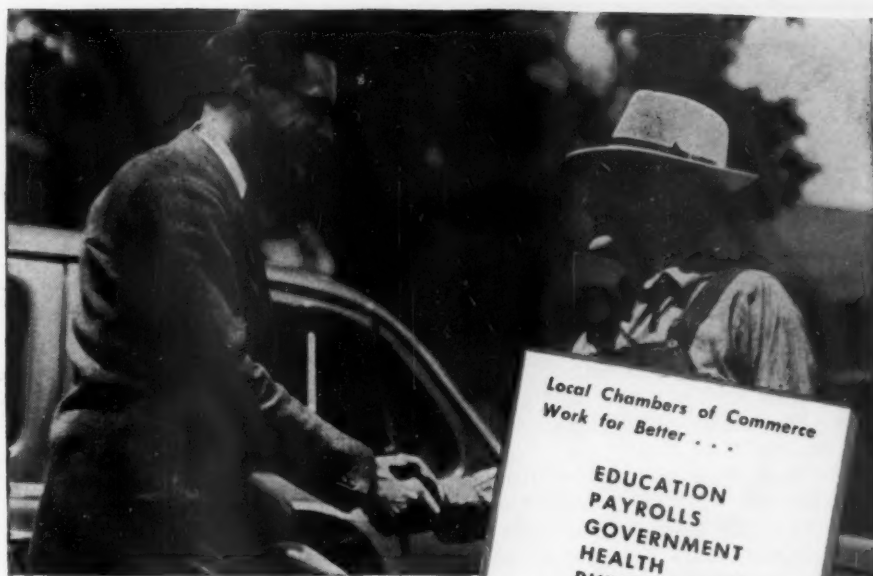
Some customers have no idea what profit should be given. To keep them from being embarrassed, Mr. Cruse is putting a container with a slot on the opposite side of the store from the cash register. The customer will pay the cost bill at the cash register, then walk to the other side of the store to deposit whatever profit he may wish.

Some of the enthusiasm his customers are showing for his "conscience-plan" seems to radiate because they like the idea of determining how much profit they should contribute on an item and some seems to stem from the natural curiosity to see what the wholesale price of items was in the first place.

Mr. Cruse isn't worrying too much about being taken advantage of.

"A man may come in and take merchandise at cost a few times," he says, "but his conscience won't let him do it long."

—HAROLD HELFER



## Now They're Neighbors

**T**HERE was a time when the farmer and the city dweller referred to each other as the slicker and the hick.

'T ain't so today. For the farm and the city are closer together than ever before. Better roads, better transportation and better communication have helped bring this about. But more important is the realization that what's good for one is good for the other. When the farmer has money (\$28,000,000,000 gross income last year), the neighboring towns benefit.

Your local chamber of commerce shares this belief. That's why it works to develop the mutual interests of agriculture and business.

Here is just one of the many activities of local chambers. Others are indicated on the above list.

► **NO MATTER** how good your local chamber officials are, they can't do their most effective work without your help. Ask them what you can do. Then if you want to dig deeper into the possibilities of chamber work, read, "Local Chambers, Their Origin and Purpose." Write us for a free copy.

**Chamber of Commerce of the  
United States of America  
WASHINGTON 6 • DC**



## So Everybody's Just Crazy About You

(Continued from page 38)

Scientific opinion research is also discovering the *best way* to tell the profit story. For years most management has relied on the printed report. Some Opinion Research Corporation surveys now show that workers much prefer the story by word of mouth, preferably from one of the executives, with visual aids and graphic devices to help. Especially gadgets, for example, like this one:

You are now at the company show of the Bell Telephone Company of Illinois. An executive of the company is explaining an odd-looking machine—a lucite tube containing a stack of 104 silver dollars.

"Each one stands for a million of income," the lecturer says. Then he mentions certain categories of expenditure, releases a catch, and showers the correct amount of money on the table.

"Wages," he continues—and 48 silver dollars roar into the catch tray. Saved until the end, to trickle down onto the table, are the few dollars representing dividends.

Such devices, the survey polls reveal, sell the company story with almost the effectiveness of the old-fashioned circus spell-binder.

One of the best jobs opinion research does is to survey a whole "field of thinking." An example would be: How socialistically minded is the American public? Management now and then has its worries on this question; so some recent studies on collectivist ideology among the citizenry has provided some valuable discoveries.

### Teachers are not leftist

ONE of the biggest bits of corrective evidence turned up was the facts on educators—school teachers and professors. Remember how business men, from way back, have thought of them as largely tainted with leftist tendencies? But POIFI surveys have revealed that the average educator actually stands right of center. As high as 92 per cent of social science teachers, for example, oppose government ownership of a basic industry like automobiles. Concurrently it was found that the worker in management's own shop is the principal person who is interested in more

and more government regimentation.

"Indicating," as one survey report pointed out, "that the lines of communication between the front office and the shop are obviously in bad repair."

This same study revealed that the general public prefers jobs in private companies to government jobs, our own system to any other, and wants private business preserved. However, its opinion of management's performance on the human side is not flattering.

"How well do you think the executives do on these items: efficient production, good products, good wages to workers, steady work, taking a real interest in workers, dealing with the unions?"

The final ratings were in just that order, with the human relations items at the bottom.



Public relations and employe relations officers might also take notice of how a survey like this indicates that the collectivists sell goals. That is, ends—not means. And the public is ends-conscious. For example, when a certain labor leader first demanded "royalties" for his miners, only 11 per cent of the public approved. But, when it was explained that the money would be used for the *good end* of employe welfare, public support quadrupled.

Similarly, Henry Wallace sells the good *end* of the abundant life, the right to a job, the guaranteed annual wage . . . asks for no critical analysis of the means, and gathers in collectivist followers.

Management might take a hint from these opinion surveys and begin to proclaim how much it is

in favor, and always has been, of the *good ends*.

Management has always believed, to cite a copybook maxim, that actions speak louder than words. One of the shocking discoveries of the scientific opinion research—and the evidence is overwhelming—is that actions don't speak loudly at all.

Here is a company that prides itself on its employe medical care, life insurance, recreational, nursing and financial benefits. These things increased productivity, cut absenteeism, and built morale—or so the company thought. But, when opinion research by O.R.C. checked the workers, disturbingly significant proportions of them came out with these answers:

"I didn't know the company had such things. . . . I thought the Government paid for it. . . . They take it out of our pay. . . . It's paternalism. . . ."

The moral, of course, is that, for good employe relations, it is not enough for a company to "live right." It must also *tell the company story*—all about its employe benefits, its earnings, what it is doing in research, and how its policies fit into the American scheme of things.

Further, these surveys revealed that when the worker knows this story, chances are excellent that the community will know it, too.

Probably the biggest shockers that these surveys have handed out have been to certain advertisers. Sample: a check (from a list) of what products people thought had the *most honest* and the *least honest* advertising. Automobiles topped the list for the *most honest*. Cigarettes led for *least honest*, shading liquor and drugs by only a hair!

### Molding opinions

STILL another dramatic eye-opener has been the public estimate of the relative importance of our opinion-formers. Radio commentators have the most influence, say 51 per cent of the people. Newspapers, say 31 per cent.

From the surveys business has learned, too, what the average American (and the average American is a working man) wants most of all in his life, and that the number of his cardinal wants is four. It was Elmo Roper who gave the answers, after studying all the public opinion surveys of 12 years.

The first American desire is for security. *But*—not government-sponsored security! "Security" meaning the right to work 12



months of the year at reasonably good pay.

The second wish is for opportunity—just the good old-fashioned Horatio Alger dream. Four times as many want this as want compulsory union membership.

Third comes the wish best expressed by the phrase "being treated like human beings."

Fourth of their desires is simple human dignity. By this they mean a feeling that their job has some importance in the scheme of things, that it "matters," that they can take pride in its performance.

Fifteen years ago management couldn't say with any proper assurance that it knew these things. It could guess, and, when intuition or horse sense gave the right answers, a company's public relations functioned on a sounder basis than its competitors'. But today, with opinion research what it is, management can almost say, "We know."

#### Knew its employees

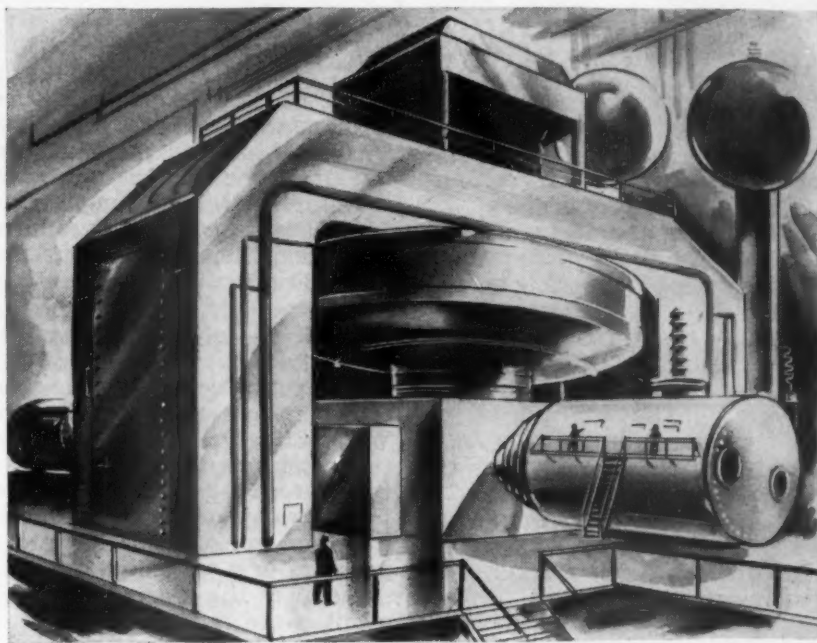
THERE is a recent classic instance of this . . . a certain American oil company that wanted the story of its employe relations put on paper. To get the job done, the company did a daring thing: called in a writer who was nationally famous and widely noted as pro-labor and leftist. It assured the man freedom of investigation, freedom to gather opinions anywhere in the organization, and freedom to write what he found. At this point the writer asked a telling question:

"Will the company publish what I write?"

The answer came back: "Whether it is favorable or unfavorable, the company will guarantee to publish *anything you write*."

How could they make such a guarantee? Because the chief source of the investigator's information would be the opinions of workers, and this company knew what its employes *really* thought; and they were sure they knew because, for months, scientific opinion surveys had been sounding out that opinion for them.

The company, incidentally, was Standard Oil of New Jersey. The investigation, also just incidentally, was made and the story written; and it turned out to be one of the most valuable documents for public and employe relations purposes that the company ever had. It was also a most striking witness to the confidence of one company in the dependability and accuracy of the modern opinion research poll.



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## The Wizard of Wolfe City

(Continued from page 41)

In rapid succession he failed as an oil field carpenter and as a chiropractor in Ringling, Okla., and Lufkin, Texas.

In 1930 Doc had to turn to his in-laws for help. By good fortune he hit upon a brother-in-law who was a small-town photographer. Doc carried the camera, learned to develop and print negatives and was suddenly struck by the idea that was to make him rich.

By this time an ordinary man would have conceded that the fates were against him and settled down to the undistinguished career of carrying his brother-in-law's camera. But Henington was no ordinary man. He felt an irresistible urge to get into photography on his own, and—of all places—he wanted to do it in Wolfe City.

Doc talked his brother-in-law into lending him an old camera and a dozen five-by-seven-inch plates. With this equipment he set off for Wolfe City.

Full of hope, he drove to the 12 pupil rural school at Oyster Creek. There he snapped the shutter for the first time and his new career was started. He sold 12 copies, some for 25 cents cash, and some for produce. Then he bought more plates and went out again.

### A growing business

FOR a year Doc worked the school circuit in a 50 mile radius around Wolfe City. On overnight trips he took pictures of farm families in return for food and lodging. Every school was good for at least a few quarters and sometimes a sack of potatoes or a pound of butter. At the end of the year, however, his profits were small.

Film for his five-by-seven camera was expensive. So was paper. If he ruined one negative or spoiled too many copies, his margin of profit disappeared. Obviously he had to cut expenses.

As the first step, Doc sank most

of his working assets into a down payment on a smaller camera. Then he hooked up an old electric fan motor to his printer and created an automatic timing system that guaranteed proper exposure for his prints.

From that time on his ingenuity in the darkroom knew no bounds.

In no time at all Doc's darkroom was equipped to turn out prints almost as fast as he could get the light out. His problem now became how to keep the darkroom busy. This involved hiring more photographers. Doc reasoned that anyone could learn to take a picture—and he set out to invent equipment so foolproof that his theory was bound to work.

Today his photographers roam the South and Southwest seeking out school superintendents in every city and hamlet. Their chief job is to persuade the superintendents to let them set up their cameras. This is made easy by three features of the Henington plan.

The photographer can promise to take the pictures as fast as the children can be lined up, with no appreciable break in the school day. He takes the pictures at no



G. D. Haywood, one of Henington's star operators, was until recently a superintendent of schools



PHOTOS BY NEAL LYONS

Practically all the apparatus Doc uses in his business is hand-made except his camera lenses



obligation to the subjects, and offers the school a full set of prints free for its files. Finally, if any parents decide that they want to buy prints—and almost all of them do—the superintendent can keep a fourth of all proceeds for his school fund. Once the superintendent has given his permission, the photographer sets up shop in any well-lighted spot. Three and a half feet from the lens he sets a stool, and behind this hangs a backdrop.

From then on he can snap pictures every ten seconds.

Doc is a notoriously easy-going boss and his photographers set their own schedules, work their own hours and in general lead the lives of independent craftsmen. Most of them drive back to Wolfe City to spend week ends with their families. In the summer, when schools are closed, they take three-month vacations or go back to their old professions.

In return for this pleasant sort of existence, they get 40 per cent of all the money sent to headquarters from the schools they have visited. Four out of five students buy at least one set of prints and many buy extra enlargements. The average commission per student runs about 20 cents.

None of Doc's salesmen makes less than \$8,000 a year. To reach this income a photographer only has to have about 220 students before his camera every school day of the nine-month term, a relatively leisurely task considering the speed of Doc's equipment. Workers in the best territories make around \$15,000 a year.

### Laboratory for fast work

THE most fabulous part of Doc's operations, however, takes place in his Wolfe City laboratory that looks as if it had been built by Rube Goldberg. Like most of the inventions Doc has been turning out since he was 15, his equipment was originally compounded of gleanings from the junk pile.

In his darkroom an automatic thermostat keeps developing and fixing solutions at constant temperature. A heating and cooling system keeps the room and its contents at the ideal photographic temperature of 68 degrees.

Homemade contact printers feed the negatives through one side and the paper through the other. They time the exposure automatically and push out a faultlessly prepared copy ready for the developing bath. He has nine such machines, each working at the rate of 75 prints per minute. As an extra exclusive fea-

ture, they print the date and name of the school at the bottom of each picture—an added attraction that boosted sales 20 per cent.

Enlargements are made on machines that require no focusing and automatically pop out enlarged prints as soon as they are finished. Completed prints are dried on giant drums whose surfaces measure 40 feet around and four feet across. Doc built the driers himself, even to polishing the steel surfaces.

Besides salesmen, he employs 36 darkroom technicians and clerks. His volume of business has helped to boost Wolfe City's post office from third-class to second-class.

Naturally the community has had a change of heart about him. These days a stranger has a hard time finding anyone who recalls a single detail of Doc's early "eccentricities," but stories of Doc's genius can be picked up on any street corner.

But, if Doc's reputation has been changed by success, his habits have not. The workshop where he dreams up his new gadgets is deep in dust and littered with all sorts of odds and ends.

### Scratch pads for records

HENINGTON still keeps books on dime-store scratch pads and scorns the services of tax experts who could probably save him thousands of dollars a year. He also continues to work most of the day and night six days a week, and would frequently forget to eat if his wife didn't drag him home at mealtime.

His wife puts in six days a week in the mailroom. His son, Bruce, discharged from the Army, is learning the business between semesters at the University of Texas. His older daughter, Doris Ruth, helps in the shop every day after high school. A younger daughter, seven years old and the only member of the family who has eaten regularly all her life, will doubtless start lending a hand as soon as she gets a little larger.

Oddly enough, for a man whose early experiences in Wolfe City were so thoroughly unpleasant, Doc is filled with great civic pride and loyalty. He prefers to keep the business a strictly local operation, staffed mostly by Wolfe City residents. He also likes to help townspeople with their mechanical problems, which they now deposit on his doorsteps in great numbers.

When the old days are recalled, Doc shrugs. "Well," he says tolerantly, "they just didn't understand what I was trying to do."



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# Radio's Short Order Cooks

By PAUL D. GREEN

**T**HERE'S a gag going around radio row in New York that two sound effects engineers had a falling out because, as one explained, "the rat stole my thunder." He meant, in this case, "Speedy Q" record No. 7860 A, Rain and Thunder. He was mad because he had to make thunder by smacking a padded mallet against a sheet of tin, which was too much like work.

These sound technicians set the moods and time that make broadcasts realistic. Most radio shows use professional records of standard sounds combined with a wide variety of manual effects, manipulated by from one to five nimble-witted gents. About 1,500 of the country's 1,800 radio stations depend almost entirely on platters that give reasonably faithful renditions of anything from adding machines to zoo animals.

These sound effects records—comprising about 3,000 separate noises—form the backbone of a rather exclusive and very sound [sic] business, which has only five major producers. The largest of these in the east is Charles Michelson, a former sound engineer, who sells about 10,000 platters yearly at \$2 per ten-inch under the brand names of "Gennett" and "Speedy Q."

The Speedy Q designation signifies that a number of individual sounds may be picked out at different spots on the disc where they are marked with cues. Station turntables have magnetically controlled arms that, when properly set, automatically spot a sound any place on the record. Thus, No. 7802 A, Model T Ford, Sputtering Motor, has Crank, Start, Run, Stop, Back Up and Low Gear, all cleanly separated on one side.

It is sometimes necessary to have five different platters on as many turntables and to shift instantly from one to the other as the sound is required.

The four big radio networks in New York and many independent stations buy sound records in case lots. One network has 625 individual double-sided titles, and from two to 20 copies of each—a good \$10,000 worth of platters.

## Automobiles of many sounds

**T**HE most common type of record is automobiles, in which category you find cars ranging from ancient models to purring limousines. They may be skidding, racing, having blowouts or crashing.

Going back many years, these recordings were made as often as possible at actual scenes which they depict. Michelson frequently goes out on location, interviewing monkeys at zoos, livestock and poultry at farms, pushing mikes into the faces of startled gobblers and ducks, to register natural geeks, moos, neighs, quacks and oinks.

To augment their record libraries, larger studios



**SOUND** effects men rate with the top figures of broadcasting. Their ingenuity has saved many a radio program

contain a weird assortment of paraphernalia. There are prison doors that clank shut in iron frames; splash machines that produce anything from a coin sinking in a bathtub to a tidal wave; an assortment of cabinets with odd-sized drawers and latches to simulate factory noises or printing presses.

In addition there are thousands of junkpile outcasts such as old bowling pins, golf clubs, baseball bats, milk and whisky bottles, soda siphons (for milking cows), strawberry baskets (for fires or smashed doors), swords, guns and bells galore.

At one show the signature is an old-fashioned horse-drawn coach rattling along a country road. This tableau is presented by a sound man clapping rhythmically with two coconut shells on a stone block, while another revolves two small wheels on a wooden axle with a handle in a pan of gravel, while working his left foot in what looks like an outsize wooden cheesebox on roller skate wheels.

Synchronizing sound effects into a script is ticklish business and fluffs are common. In one recent mystery show, a courtroom scene was beginning, and the record containing background murmurs was put on. The engineer had accidentally turned the record over and suddenly the sharp toots of a freight train came over the air. The actor playing the part of the judge saved the day with a quick ad lib.

In another thriller, there were only two sound effect cues. One was a door closing, which came early in the show, and was to be done by a man shutting a studio-made prop door. Minutes later the second cue was to unleash a battle scene which would come from four records. The four engineers waited for the big scene. The door cue came and all missed it.

The director signaled frantically from the control room. The four got the hint simultaneously, made a dash for the door which they closed with such a crash that it toppled on top of the loud-speaker, putting it out of commission. A few minutes later the big battle scene came, and the records wouldn't register.



## Harry is for the Headaches

(Continued from page 49)

likes to take time to make up his mind and because, wherever he can, he likes to put humor or at least a light touch and a tight phrase into his decisions. It's a good idea, he thinks, especially when disputes involve millions of dollars and basic practices, as they sometimes do.

A year ago, a parts shortage forced Ford to lay off 50,000 workers. Since most had paid vacations coming, the company wanted to call the first two weeks of the lay-off a vacation period and pay for it. That way, there'd be no interruptions when operations resumed. That way, too, Ford would save \$2,000,000 in its account in the state unemployment compensation fund. (The fund is built up by company taxes and, if the two weeks were called a layoff instead of vacation, workers would collect jobless benefits.)

The union objected, claiming that workers were entitled to "due consideration" on *when* they wanted vacations. Shulman listened to arguments far into the night, spent days writing his opinion.

"A vacation," he held, ruling against the company, "is a period of rest between two periods of work, while a layoff is a period of anxiety between two periods of work. An indefinite layoff cannot be counted as a vacation."

The company, which already had had notices prepared announcing the enforced vacation, took the loss in good grace. The union takes its defeats the same way.

### A problem in production

WHEN one UAW local expelled two workers from its membership, it demanded that the company discharge the men under the closed shop agreement.

The company refused, claiming that the only reason for the expulsion was that the men had been working too hard as test drivers, had taken only 11 to 14 minutes on each run compared to other drivers' 20 to 30 minutes.

The union's rebuttal was tough: neither company nor umpire could inquire into the grounds for expulsion. That was union business.

Shulman upheld the company. The contract between Ford and UAW, he stated, couldn't have been designed to give the union control of production standards.

Not only did his decision imme-

diately settle the matter but the union's international executive board later agreed with him in part by holding that the two men should not have been expelled.

Both sides have glowing words for Shulman.

"He is," says John Bugas, Ford industrial relations vice president, "a safety valve in our relations with the union. He's kept grievances from becoming issues from which neither side would retreat."

"Shulman," says Richard Leonard, UAW vice president, "has prevented innumerable wildcat and even legitimate strikes."

It seems unlikely that this is apple-polishing because either union or company, which hires and pays him equally, can dismiss Shulman at a moment's notice. Neither has tried. And when Shulman tried to retire last summer to go back full-time to his professorship, both Ford and UAW persuaded him to stay.

### Others use umpires, too

THE umpire system isn't unique with Ford. Hart, Schaffner & Marx in Chicago, using it since 1911, hasn't had a work stoppage in all that time. The Ladies Garment Workers Union in New York has had an impartial chairman or umpire for years, and major strikes are practically unknown. Even in the automotive industry, General Motors set up an umpire by agreement with UAW in 1940 and Chrysler has had one since 1944.

But Shulman's success has added new luster to the umpire idea.

"If," one former high Labor Department official recently remarked, "the umpire system can work with Ford and UAW—with a company now pioneering but hardly noted in the past for a background of ideal labor relations and with a union not renowned for its mildness and pacifism toward management—then it can work practically anywhere."

For some time it didn't look like it would work in Ford. Shulman came to the job with no great labor background and the attitude of neither party was ideal.

Harry Shulman, coming from Russia at the age of nine, settled in Providence, where he sold newspapers to help support his family and put himself through Brown University in three years and Harvard Law in another three

by washing dishes and tutoring.

A fellowship earned him his degree of Doctor of Juridical Science and his ability got him the secretaryship to the late Supreme Court Justice Louis D. Brandeis. In 1930 he became a Yale Law School instructor. By 1940 he was holding the top chair, Sterling Professor of Law, former post of Supreme Court Justice William O. Douglas.

Shulman got into labor affairs in 1942 when he became chairman of a War Labor Board panel. One of his jobs was to help in the Ford-UAW contract negotiations and he impressed both company and union so much that when later they decided to have an umpire Shulman was the choice.

### Warfare was common

WARFARE between company and organizers had been incessant for years. Distrust predominated on both sides and on the union side there were, in the first flush of exuberance over recognition, excesses which many UAW men freely admit now.

One of Shulman's first cases called for toughness. It was over a misunderstanding that arose in one Ford plant when two employees were transferred from one department to another and other workers believed that, in making the transfer, which amounted to promotion, the company had overlooked employees with greater seniority. There was a work stoppage. It was led, the company said, by no less a person than the president of the local union. The president was fired.

The case was hotly argued before Shulman, who took the bull by the horns.

"The stoppage," he ruled, "was a flagrant violation of the contract . . . totally irresponsible." He upheld the firing.

Not long afterwards, he upheld the discharge for the same cause of three union leaders at the Willow Run plant. That brought trouble to a head. The local union voted a petition to oust Shulman and circulated it among other locals.

Shulman, however, had beaten the hotheads to the draw. He had talked with workers in the plants and with union officials individually, had even addressed meetings of the Ford Council, an organization of leaders of Ford local unions all over the country.

"The UAW," his theme had been, "is a giant union but not yet a great one. You need discipline. You have a contract now and you

should live up to it. Living up to it will get you more in the long run. As long as I'm umpire, stoppages are unlawful. Now go ahead, fire me."

The ouster petition was tabled. Shulman soon discovered the need for an educational campaign on management. His calendar was getting cluttered with discipline cases because, it turned out, Ford supervisory personnel were too prone to fire people.

An elderly bachelor worker at Willow Run got himself enamored of a fellow girl employe. He sent notes and flowers. Finally the girl protested to the company which, with little ado, fired the man.

"There's no evidence," Shulman ruled, "that the man's work has been unsatisfactory or that he's bothered any other female. No shop rule prohibits an employe from falling in love with another employe. So long as the wooing is carried on away from the plant, it cannot be the employer's concern."

He ordered the man reinstated with full back pay. In other decisions and private talks with management he suggested that Ford find a better way of handling discipline, that it develop the idea that you can't expect perfection, and that firing is serious business.

### Less firing, more discipline

TODAY Ford management complains good-naturedly that there isn't enough firing. To which Shulman replies that it probably proves there is better discipline.

Shulman has done something else which carries the umpire setup in Ford far beyond what it is in most other companies. He mediates. Which is considerably different from umpiring.

When you mediate you don't, as an umpire does, judge a dispute after it's gone far enough to become a formal grievance. You act as a harmonizing agent, sitting down with the parties to help them give and take and settle a difficulty even before it becomes a dispute.

This has usually been thought dangerous. Let an umpire remain a judge on high with cases brought before him and he can have an aura of dignity and distant enchantment. Once, so the theory goes, he gets into shirt-sleeve discussions, he risks his position.

Shulman risked his for practical reasons. Seniority cases were getting to be a dime a dozen.

Say you set up seniority ratings among steamfitters and separate ratings among steamfitters' helpers. Comes a layoff and a ten-year,

full-fledged fitter may have to be laid off while a five-year helper stays. That's oversimplified, of course, but the idea is that it's best to group seniority ratings over several, sometimes many, related job classifications.

Shulman sat in on grouping discussions. Slowly, he mediated until the job was done.

It paid off. Seniority cases practically disappeared from the umpire's calendar. That success started Shulman mediating in wage classification discussions and then in others.

### Mediation that's not accepted

NOT all his mediation efforts have succeeded. At River Rouge, one huge department includes carpenters, ironworkers, millwrights, men in other crafts. All are UAW but all nevertheless want lines of demarcation set up on what they can be called on to do.

Shulman got company and union representatives together and worked out an agreement between them. Which was fine until union membership vetoed it. That was two and a half years ago. Two agreements since, which he also arranged, were also vetoed. A fourth is now up for consideration.

But one mediation effort paid off neatly recently. A blazing altercation popped at River Rouge over health hazards in the open hearth department. The Ford-UAW contract specifically excludes health hazard questions from the umpire's jurisdiction. The union issued a strike notice.

Shulman barged in, got both sides to agree on a procedure. If, under it, they reach no agreement, then the umpire makes the final decision. Meantime, the union withdrew its strike threat.



This extension of the umpire's scope has set the union churning with enthusiasm.

"An umpire," proclaims Walter Reuther, UAW president, "is the only alternative to strike action when grievance disputes reach a stalemate. The need is to extend the umpire's jurisdiction."

Management is more cautious but open-minded.

Shulman, however, warns: "The umpire system is no cure-all." As long as a third party's interpretation is necessary, an umpire is the best bet, he believes. An umpire is better than a lawsuit. Commercial litigants can damn each other at a distance while waiting for a crowded court calendar to clear. In an industrial dispute, delay is fatal; the idea is to have the worker working while the wrangle is being quickly settled.

Similarly, there's the delay factor in calling in an outside arbitrator for each grievance.

The umpire system provides fast, automatic machinery for settling differences.

"But," Shulman emphasizes, "it can't work unless both sides want it to work. In fact, unless attitudes are right, it might lead to a breakdown of collective bargaining and be more trouble than help."

It looked for a while like just that might happen in Ford. There was little attempt to bargain grievances to a settlement at lower stages. "Let's fight this up to the umpire," was the motto.

Groping for an answer, Shulman tried a shot in the dark when Willow Run finished its war contracts and shut down. He had 500 Willow Run grievances that he hadn't even heard. Calling labor and company representatives together, he dumped all 500 in their laps.

A few weeks later, the 500 cases were back on his desk—all settled. Along with them came one of the union men. "I'm sorry," he announced, "that many of those cases ever landed on your docket. Some stink and aren't just grievances at all. Others we could have easily settled in the plant. We can see that now that they've cooled and we've taken a look at them."

### Grievances now screened

AFTER that, the union set up a screening committee to consider all cases before they finally go to the umpire and to attempt direct negotiation with company officials in a final pre-umpire try for settlement.

"That," says Shulman, "after



three years is one sign of maturity and better attitude."

There are other signs. At a hearing not long ago, a union grievance had to be disqualified, under the contract, because it had been lost and filed 18 months late.

A foreman, promoted from the ranks, had been demoted when conditions tightened. Under the contract, he had the right to his old job classification or one as nearly similar to it as possible. Originally an electrical leader, the company had put him back as electrician.

It was a good case. Lake, the union advocate, suffered loud and long at the "dope down the union line who loused this one up."

"Why not," Shulman interrupted the wailing, "have a talk with the labor relations man involved in the case... a talk on the basis of—well, call it human understanding? Confess you're licked legally, take it up as a matter of good spirit, and maybe you'll get somewhere."

Bob Campbell, company lawyer, looked up. Having won his case without even a fight, there was nothing he was compelled to do about this. "OK," he said quietly. "I'll look into it, too, and I think maybe something can be done."

"That," Harry Shulman says proudly, "was nice, indeed."

#### Petitioned to stay

LAST summer when he tried to resign, Shulman was impressed by two events. One was the action of the union local which had once petitioned for his ouster. It led all the rest in petitioning him to stay.

The other event was an offer to raise his salary from \$12,000 to \$18,500. This would have been more than twice as much as the \$9,000 UAW pays Walter Reuther.

Shulman turned the increase down. "I'll stay," he announced, "but without the raise."

He didn't, he said in public, want anybody to think he had a financial stake in the job.

Privately, Shulman might have expanded that. At \$12,000 he was close to what he could always get as a full-time professor at Yale. As long as he got no more than that as umpire, as long as he lived on a \$12,000 standard, he could be independent.

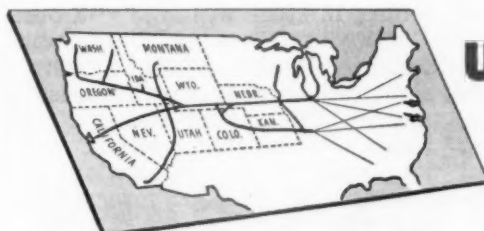
You need independence as an umpire. With enough of it to lead the way and with a couple of parties a little recalcitrant here and there but on the whole willing to cooperate, the umpire system, Harry Shulman believes, can do a lot for industrial peace. Not everything. But—a lot.



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## Our Fears Puzzle a British Visitor

(Continued from page 35)

year ahead. In one factory a chief engineer said with a broad smile, pointing to an assembly line: "It's awful. We don't call that production. Just wait till our new presses come in, then you will see some output!"

The new presses have been on order for more than a year and are not expected much before next winter.

Before I landed, I picked about a dozen Americans whom I would ask this question:

"What do you regard as the most significant development in American industry today, looking a few years ahead?"

I cannot give the names but I can give some of the answers I got. Atomic power was not included. That surprised me (as a layman) and I made sure by asking the world's biggest consumer of cheap power, the Aluminum Corporation of America. They do not expect to get electricity from atomic power for at least ten years, and the research chief of the General Electric Company has just given a similar opinion in a scientific paper.

### Technological progress

THREE developments were mentioned by all the experts I approached.

One is the use of oxygen in steel furnaces, with which many steel works are experimenting. It depends on making oxygen (not necessarily pure oxygen) at low cost, and a plant is now being built which may solve the problem; but many other technical difficulties remain, and the venture may take some years to mature. If it succeeds, steel-making costs may be cut by 15 to 20 per cent, or that amount of additional steel may be got out of the existing equipment.

The second long-term effort to which the experts attach the highest importance is the production of gas and gasoline from coal. This is being tried out in Pennsylvania on a smallish scale by two large corporations and it may also take ten years to bear full fruit. If it does, coal will supplement the waning oil reserves—and incidentally coal will have countered the competition of natural gas.

A third field in which big progress is being made is the creation of new synthetic materials like sili-

cones. I saw something of this work at the Mellon Institute in Pittsburgh, and it made me believe in the comment of one of the scientists there: "We are only at the beginning of the plastic age."

Journalists are not encouraged to inquire too deeply into the work on guided missiles that is going on in some places, but I was delighted when Paul Smith, editor of the *San Francisco Chronicle*, explained to me how he planned to distribute his paper all over the country by flying bombs. That is more promising than the wisecrack on atomic



"Hello dear. Did you notice the cute little throw rug I bought today?"

power I heard at Glenn L. Martin's vast aircraft plant near Baltimore:

"The history of mankind can be written in three words—huntin', shootin', fission."

Here are a few things I admired: Chicago's parks, built on land reclaimed from the lake to make a bathing beach for the millions. The free television shows of ball games in store windows and bars. The Federal Reserve Board building in Washington, which I scratched to make sure it was solid marble. The luxury trains of the Santa Fe railroad, which make long train travel a relaxation. The triumph of St. Louis over smoke and soot. San Francisco's bridges. A plane with six jet engines I saw being tested.

American industry, I discovered,

is far more publicity-minded than British industry. Most corporations of any size have one or more public relations officers, who often hold the position of vice president. In any case it is always easy for a visiting newspaper man to see the top man and to get answers to frank questions.

In addition, American companies seem to be particularly aware of their relationship to the public at large. As an illustration, the United States Steel Corporation recently threw open the doors of its huge steel works in the Chicago area to the general public, setting somewhat of a new high mark in public relations work. I was fortunate to arrive in time to take part in the pilgrimage.

### "Open house" in steel

ONE hundred thousand persons, men, women and children, were shepherded through these spectacular plants on two days, with street cars and buses to take them out, guides to take them around, and free ice cream for everyone. Preparations for the "open house" had been going on for months. The plants, one of them the largest steel works in the world, looked like motion picture sets.

Buildings, machines, trucks, and most of the equipment had been solidly covered with aluminum paint. Even the furnaces had been whitewashed. All the enormous yards between production buildings had been deeply strewn with chips of white ironstone, which looked like fine garden gravel. New roads had been laid out, new ramps and staircases built. Wherever a square inch of surface showed, it got some fresh paint. I was told that all the workers joined in the preparations and looked forward to the day with excitement. When the great crowd flowed through the plants and showed its wonder at the things that happened there, the steel men were happy.

A works manager said to me: "This is like a royal visit in England. We are welcoming our rulers."

It was a wonderful day.

I had to go all the way to the Pacific coast to appreciate some of the contrasts that exist in this far-flung country. In New York the building trade is slowing down. In Texas the builders work 24 hours a day putting up big steel constructions, and the hectic labor by the light of arc lamps is one of the sights of our time. Still further west a new empire is arising. Cali-



California and the Pacific Northwest are America's new frontier. Water control and irrigation made large-scale settlement possible; the war brought several million newcomers to work in the shipyards, the aircraft plants and the steel works that were built on the coast.

Nearly all these people have remained in the West and more are coming in at the rate of 250,000 a year. It seems that the population has now reached the point at which it becomes profitable for the eastern manufacturers to set up branch plants in the West, and that is going on. At the Bank of America, which Mr. Giannini raised in less than 50 years from a backroom finance shop to one of the largest banks in the world, I was told that California's wages bill has risen in six years from \$750,000,000 to \$2,500,000,000. Little more than ten per cent of this is being paid out by the motion picture industry which used to be California's mainstay.

That industry, by the way, is the first American export industry to organize a campaign in favor of more imports. I do not think it will be the last.

#### Imports to balance exports

IN three years, I predict, Washington will have many organizations like that of Eric Johnston, who pleads with Congress for tariff cuts and foreign lending. The biggest industries today need no tariff protection, but they will soon need exports. They are finding out that foreign markets tend to break down for lack of dollars, and that, in the long run, dollars can only be provided by imports. In the past the low-tariff policy has been a Democratic policy, and foreign loans have been Democratic loans. In the future, Republican industry will take over both policies. In three years I shall be back and eat my hat if this hasn't come true.

After traveling thousands of miles in search of truth, I shall be asked two questions when I get home.

Will the United States have a slump? I shall say that I do not think so; the only thing that makes me uncertain is that so many seem to agree with me.

Secondly, will Europe get more dollar loans to bridge the last stage of recovery? I shall reply that Europe will get the dollars if it still wants them after hearing the terms. But when that little inquisition is over, I shall have to settle down to tell them about the restaurants and the stores.



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TO HAVE MISS  
THE SHOW?**

That's a "tough" question. There may be key men in some of your departments who have never attended a Machine Tool Show—who don't realize the importance, to your company, of complete coverage of The World's Greatest Metalworking Show. They may be the very ones whose attendance would benefit your company most.

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Approximately 100,000 management, production, engineering, purchasing and financial executives from all over the world will attend. If advance registrations for the delegation from your company have not been sent in, have it done now. It will save time at the Show. If you need more advance registration blanks, write: National Machine Tool Builders' Association, Cleveland 6, Ohio.



## MACHINE TOOL SHOW

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# Reading for Pleasure or Profit...

## "Cycles"

By E. R. Dewey and E. F. Dakin

THIS book makes as exciting reading now as Darwin must have a century ago. It deals with cycles, the new science of prediction which is discovering correlations and rhythms in human affairs that may revise our whole world view.

The jagged graph of the American economy, for example, has been analyzed by Dewey and Dakin into a number of regular waves. The longest lasts 54 years, another nine years, a third three and one half years, and a fourth, affecting real estate, 18 years. Compounded together, these rhythms form the unpredictable path of prosperity and depression. Studied separately, these authors say, they provide a sound basis for timing a business.

"Cycles" (Henry Holt, 257 4th Avenue, New York; \$3) gives a practical outline of how to tell, by examining rhythms, just "what time it is" in the economy, and in your part of it. Today general prospects are not bright, the book maintains. The 54 and nine year rhythms will combine in a depression for the early 1950's, and the long rising trend on which these rhythms ride has already neared its peak.

Dewey and Dakin find that cycles are not greatly disturbed by wars, discoveries and other cataclysms. Such events don't so much *cause* the cycles as *fit into them*. Indeed, cycles seem to include, and transcend, cause and effect. Things wax and wane together in a single wave, and these scientists are not so much interested in which thing causes the other as in observing their rhythm.

## "Hawaii the 49th State"

By Blake Clark

LABOR and management in Hawaii, says Blake Clark, are for

once in agreement: they both want statehood, right away. Certainly the sun-kissed islands would make a fine addition to the family of states, as Clark describes them. Their future is rosy, bursting with opportunity for new businesses, from steamship lines to orchid farms. Their past, according to this history, has been no less attractive.



It was the talent of native Hawaiians, Clark says, which made the westernization of their islands so productive and peaceful. Colonial exploiters got nowhere against the shrewd Hawaiian monarchs, who ruled in comfort until the orderly U. S. annexation in 1898. Thin-lipped missionaries got nowhere against Hawaiian girls,

whose tact and friendliness, Clark believes, were of central importance in keeping the peace. Thanks again largely to the Hawaiians, the islands are now almost free of race prejudice, despite their motley of races.

"Hawaii the 49th State" (Doubleday, 14 West 49th Street, New York; \$3) includes one grim chapter: on military government after Pearl Harbor. Clark maintains that the Army, assuming unconstitutional authority over civilians, went berserk, denying human rights, requiring offenders to give pints of blood as a punishment, and establishing, in effect, a fascist regime. The military were later condemned for this by the Supreme Court, but the story remains a warning of what can happen here.

## "Inside U.S.A."

By John Gunther

BRILLIANT, brash John Gunther, the "inside" man, has raised to a high power the virtues and the vices of journalism: its haste, color, irreverence and daring.

The crack newsman is like a caricaturist; he reveals much in a few quick lines, inspiring anger

or delight, and his method discourages long-range judgment. Accordingly, "Inside U. S. A." (Harper, 49 East 33rd Street, New York; \$5) gives us excellent caricatures of the 48 states, sketching salient features and tell-tale eccentricities. The states become people—unique and lovable. Their diversity fills the writer with a Whitmanesque enthusiasm for America which is infectious.

Anyone can learn a lot about his country from these 920 packed pages. "Inside U.S.A." is half political travelogue, half geography book, with notes on economic problems, powers-that-be, gulch names, local drinks, morals, etc., in many localities. Interviewing 900 notables, traveling everywhere, Gunther made comparisons that will agitate local pride (Phoenix is the cleanest city, Indianapolis the dirtiest, Butte the lewdest, and so on). He is politically left of center, and home folks will be brought to consider important questions, in deciding how responsible he is about their own politicians, newspapers, industrialists and state laws.

## "European Witness"

By Stephen Spender

IN 1945 the English poet, Stephen Spender, was sent to supervise the reopening of libraries in Germany. "European Witness" (Reynal and Hitchcock, 8 West 40th Street, New York; \$3), which describes his trip, gives us a revealing picture of Europe in ruins. The continued vitality of France, the death of Germany, become wonderfully real in Spender's vignettes of landscape and conversation.

After subtle descriptions of the effects of total war, Spender goes on to provide a religious insight for our current discussion of "one world or none."

## "Los Angeles Murders"

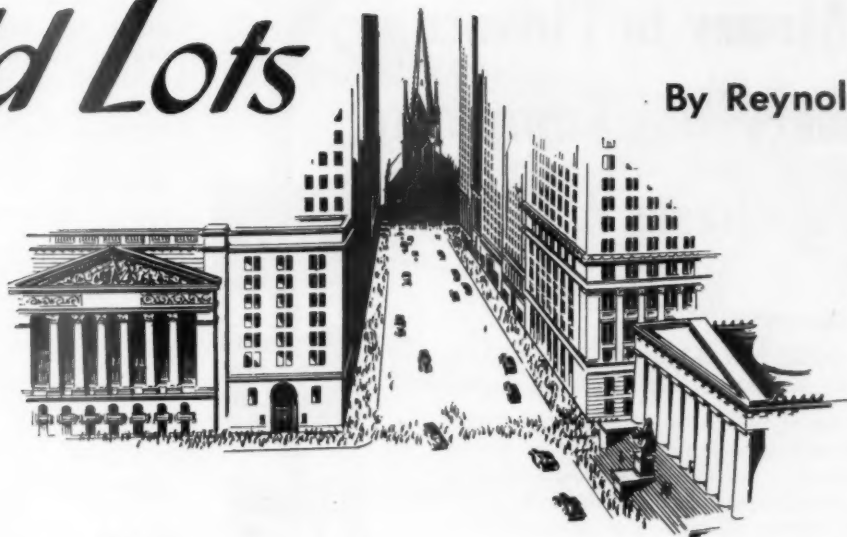
SIX true-life homicides in the City of Angels are here described by top-flight mystery writers, and a seventh by the Chief Deputy who tracked down the criminal. For both detectives and readers, such genuine murders make harder nuts to crack than the puzzles of fiction, and are in a way more fascinating. In "Los Angeles Murders" (Duell, Sloane and Pearce, 270 Madison Avenue, New York; \$3) the treatment of gory episodes is so bland and blithe that you can sup full of horrors without a trace of moral indigestion.

—BART BARBER



# Odd Lots

By Reynolds Girdler



## Air Cushion

SHORTLY after that bomber crashed into the Empire State Building, the Bank of Manhattan insured its famed 40 Wall Street building against a similar occurrence. Just in time, too. Soon another errant plane got lost in the fog. From all the downtown skyscrapers it picked out the Manhattan Tower, smacked it right in the middle of the Atlas Corporation suite. The Bank of Manhattan has another distinction, too. During the war, the Navy had a lot of space in the building. Naturally a Roosevelt Navy couldn't use a Wall Street address. So the Navy used a 33 Pine (back entrance) address. Fooled a lot of people, too, including many an officer-candidate summoned there for his first interview.

★ ★ ★ ★ ★

## Later Than You Think?

THE \$64 question in Wall Street today is: Is the bear market finally coming to an end? Starving on an enforced diet of small commissions, the Street is studying all signs, wonders and portents for a clue to the answer.

Since 1900 there have been ten bear markets to plague the Street and the investing public. The average length of these trying periods is 20½ months. This figure is of small comfort to Wall Street, because the current decline, which started in May, 1946, is only 14 months old. Moreover, the average bear market of the past, according to Lucien Hooper, lost 41.8 per cent of its price level before turning into something better. The present decline is still short of this average.

Past bear markets always have worn themselves out in periods of

extreme market dullness. Slow as the market has been, it could be worse, according to the records. So Wall Street, tightening its belt, doesn't know whether it's the beginning of the end, or only the end of the beginning.

★ ★ ★ ★ ★

## Ladies' Day

THE number of newspaperwomen who can thread their way through the canyons of the financial district is growing. The Street's brokers and bankers are no longer surprised to find that neuter-sounding by-lines are really owned by women. Thus the name C. M. Reckert, which often appears in the financial columns of the *New York Times*, belongs to Claire Reckert. McKay Russell, whose daily market column in the *New York Daily News* is carried to the nation's largest circulation, is better known to the Street as Cecilia. Two of the wire services boast women financial writers: Dorothy Carewe of the *Associated Press* and Dorothy Brooks of the *United Press*. Mildred Diefenderfer is chief of Dow-Jones' bureau in Washington, while Jean Wilson heads the Wall Street bureau of Chicago's *Journal of Commerce*. The girls ask for no special consideration from their masculine colleagues, and get none. But they do lend a brightening touch to press conferences.

★ ★ ★ ★ ★

## The Postman Rings Often

THE Letter of Credit has come back with a bang. Wall Street banks report their foreign trade

departments are working 'round the clock trying to keep up with the demand for Letters of Credit.

Reason for the boom in this most flexible of all credit instruments is obvious. The American business man is selling a record amount of goods abroad. He is selling these goods, many times, to people he knows little about. Often, too, he is unknown to the buyer. So both buyer and seller turn, for safety's sake, to some famed banking name such as Brown Brothers Harriman, as intermediary. Thus in this modern world, which only a few years ago had reduced the volume in Letters of Credit to a thin trickle, the basic service the banker renders trade is illustrated anew.

No one knows the dollar volume Letters of Credit reach monthly. But Wall Street reports that, at least in numbers of Letters, the volume is greater even than after the last war. Curiously, much of the volume is based on the movement of second-hand clothes to cover the nakedness of those people supposedly enjoying the benefits of state-controlled economies.

★ ★ ★ ★ ★

## Running History

WALL STREET is the despair of historians. It never has been very good at keeping records. Annual summaries of the big events in the underwriting business, in the municipal bond business, in the over-the-counter market, and even on the Exchange are incomplete and hard to nail down. This lack of regard for history makes all the more remarkable the job Arthur Wiesenberger is doing for the investment trust industry. Each year

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he puts out a reference volume that wraps up the pertinent statistics of this rapidly expanding field. His latest opus, almost encyclopedic in size, is just off the presses. It comes as something of a shock to some sections of the Street to learn that there are now 91 investment companies, and that they manage assets of more than \$2,000,000,000, which in turn are owned by more than 1,000,000 persons.

The book also lays bare the relative successes or shortcomings of management of the various funds. But the industry is gratified to find that, on the average, managed funds outperformed the market.

★ ★ ★ ★ ★

### Comic Relief

WALL STREET best remembers Rep. Adolph Sabath of Illinois because of the frequency with which he hailed the financial Utopia the SEC would bring. So the brokers found something a little comic in Sabath's latest attack on a stock market regulated by the government agency. Emil Schram, however, saw nothing funny in the outburst. He ripped right back at Sabath, asking him to prove his charges or withdraw them. So far—to no one's surprise—the servant of the people has done neither.

★ ★ ★ ★ ★

### Corporate Ambassador

U. S. industry has grown too big for Wall Street. The financial district's statisticians and recording services simply cannot keep abreast of the affairs of a growing number of thriving corporations. So little is known in the financial districts about many a busy, successful company that the security markets find it difficult to strike a sound valuation on the securities of many of these companies.

In an effort to bridge this gap, a former investment trust man named Harold Hodgson has pioneered a new type of business in Wall Street. His success has been so great that a number of other Wall Streeters are eyeing the new field, wondering if it doesn't offer greater opportunities than brokerage or banking.

In effect, Hodgson acts as ambassador to Wall Street for a limited number of companies. To investment firms, and to sources of financial opinion, he brings a steady array of facts concerning the companies he represents. The difference between a company that is well known to the financial dis-



strict and one that is only a name often can be measured. The market-place will invariably put a higher evaluation on the securities of a familiar company than it does on an obscure firm in the same field.

★ ★ ★ ★ ★

### Send for Booklet

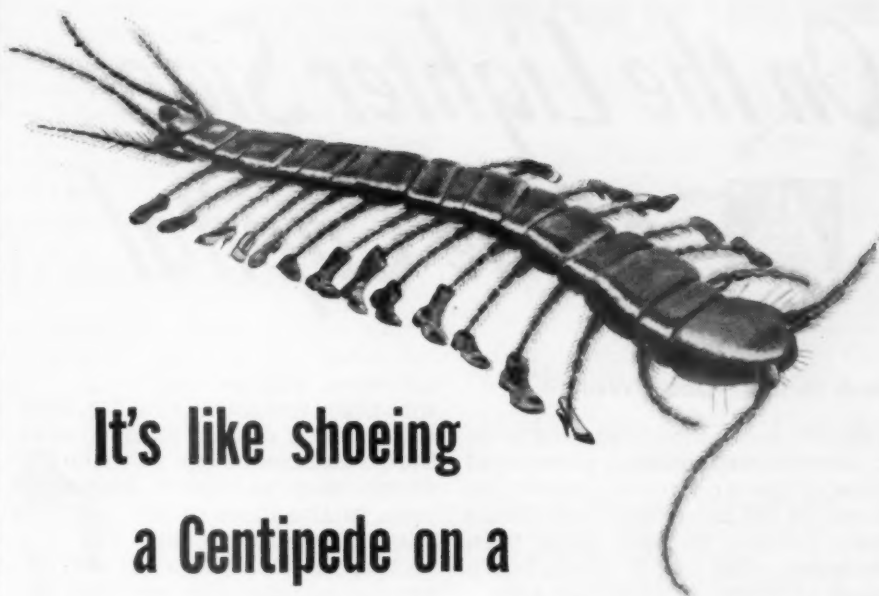
FOR more than 150 years, people have been buying and selling securities through brokers on the New York Stock Exchange. But hundreds of thousands of affluent Americans still do not know how to open a brokerage account. At least one firm in Wall Street has turned this fact to its advantage for years. Along with advertisements that appeal to sophisticated investors, this firm runs a little card ad offering a booklet on how to open a brokerage account. Year after year the ad pulls a satisfactory number of inquiries which are then converted into active accounts. But the moral continues to evade most of Wall Street. The moral is: You can't make the business of finance too simple for the public.

★ ★ ★ ★ ★

### Business Getters

THE average Stock Exchange member firm takes a professional attitude toward its business. Proudly it waits for business to come to it, suffers from commission-anemia in periods like the present. Not so the sponsors of the mutual funds, those relatively brash newcomers to the financial scene. While volume on the Exchange languishes, sales of new shares in the funds, once thought to be tied to Stock Exchange volume, go soaring off by themselves. Since the funds invest almost exclusively in Stock Exchange securities, this creates business for Exchange members. Were it not for the business generated by the funds, volume on the big board would be even lower.

The funds are now selling at the rate of \$300,000,000 yearly. So brisk has been the business that new funds are springing up throughout the country. So far this year 34 new funds have been launched. The fund-sponsors have a great advantage. Their shares are sold by the smaller, more aggressive non-member firms that thrive in every city. These firms are young and ambitious, and they go out after the business. It's the nearest thing to genuine commercial salesmanship to be found in the financial districts.



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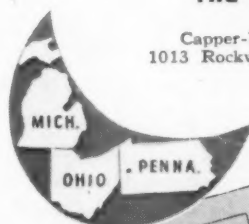
There never was a better time to sell the farmer. You'll enjoy bigger units of sale, and low sales cost now . . . and you can build valuable consumer preference in this substantial market—future sales volume to help balance your production.

May we send you specific facts about *the Golden Crescent* Farmer's needs for your product?

Write for your copy of Study Number 1

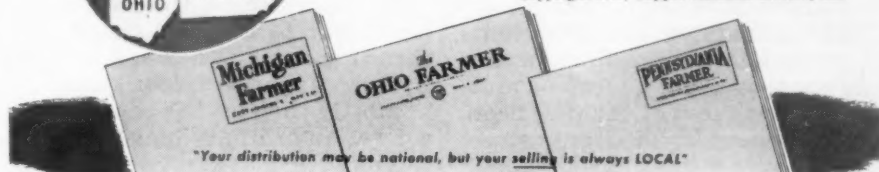
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# On the Lighter Side of the Capital



## Back to the "Dobe Walls"

THE old gentleman who used to be a sheriff deprecated a current error of the newspaper profession. Some of its more basso profundo practitioners, he said, have been observing that Mr. Truman has a habit of shooting from the hip:

"That's a smear," he said. "The implication is that he has a low intellectual flash point. Like as if he had been talking in what you might call a twilight sleep."

He was not indignant because of the smearing, he said. That is an American habit in politics. His complaint was that the expression showed that the commentators were appallingly ignorant of American history. They might be hell on William the Conqueror, he said, but know nothing whatever of Bat Masterson's fight at the 'Dobe Walls.

## Changed in the cradle

THE guys with the smear-bucket—still quoting the former peace officer—adduce Mr. Truman's so-called "doctrine" as a sample of his habit of shooting from the hip. There are other samples, such as some of his vetoes and that fuss in the Federal Communications Commission over politics vs. competence, and a judge or two whose names appear at precisely the moment when the American public is inclined to snort and roll its eyes when the jurists are up-wind. The sheriff advises patience.

"Lots of things don't smell as bad as they sound."

It is true, he admits, that after Mr. Marshall and Mr. Vandenberg and Mr. Clayton and like as not Mr. Hull got through playing with Mr. Truman's doctrinal baby the child was hardly recognizable. Mr. Truman was and is heated up about Communism and civic rights in Poland and the effort of her neighbors to make Greece's condition worse than it always has been. The President is mad enough to bite nails, said the sheriff. He may have shot a little from the hip, he

concedes, but it was right good shooting after all. It gave Mr. Marshall *et al.* a chance to move in on the economics of the situation, in which they are more interested than in the ideas of the moujiks. It's the economics that will keep factory wheels turning all over the world including this country. Mr. Truman very cheerfully adopted the revised baby. Maybe, it was his baby all the time. Anyhow he got in the first shot. These reflections enabled the sheriff to get back to Bat Masterson.

## There was once a barber—

MASTERSON was a sound, conservative operator with the handgun, said the ex-sheriff. He was fast but not too fast and he could trim the ears of a hummingbird across the ordinary barroom. He arranged to have enough gentlemen

with holes in their chests precede him to his last home so he could have what you might call a guard of honor:

"But he never took unnecessary chances."

There was a little barber in Denver. He got annoyed with Bat one time and took to walking up and down the street that had the most gaslights proclaiming what he planned to do to America's foremost gunfighter. Bat took the D. & R.G. out of town.

"You can't tell about these hip shots," he said. "Mostly they miss the first shot because they're too fast. But every now and then they don't."

## Darts for the President

THE congressman who is a regular visitor to England noted that throwing darts at a board is Great Britain's favorite indoor game.

"Mostly they hit the board somewhere. An ordinary player will get the bull's-eye at least once for his sixpence."

Just like Capitol Hill and Mr. Truman. The boys are flicking at him good and plenty but it's mostly in good humor.

"Fact is," he said, "most of us like him. He riles us now and then because he gets mad and then we get mad and he is stubborn as a mule and so are we, but don't make any mistake. His strictly personal relations with Congress are better than those of any President in recent history. Look 'em over. We took Roosevelt when we had to, we quarreled with Hoover, Coolidge was kind of on the sidelines. We understand Truman. He is a politician and we are politicians and we play the game."

## Let's get this straight

ONE thing, he said, gives him a pain. Every time Truman does something that someone doesn't like the protestant hurries in:

"Poor Harry," says he in effect. "He has been listening to the wrong advisers. He ought to make a change—"

Sometimes Truman's friends say it and sometimes the old New Dealers—"trying to scratch off the rust"—and sometimes people who want to undercut him, like the Wallace crowd. None of it is true, if the observer is right. The President listens to anyone who gets to him and grins and obliges with a story, but he makes his own mistakes, if any, and then sticks to 'em.

## An excuse for a story

WHEN General Groves was chief of the atomic bomb works a man came to him with the high approval of both the Canadian and the United States Governments:

"Give him a good job," was the order.

Groves would not even let him on the lot. He learned the applicant knew two very important phases of bomb making.

"If he had been able to learn the third phase he would have had it all," said Groves. "There isn't a man in the world I would trust that far."

## This is the story

AN Indian smoke-talker was sending up his chit-chat on the desert near Alamogordo. He waved his blanket over his signal fire and the news of the day went up in inter-





mittent puffs and clouds. Suddenly there was a terrific bang in the desert and an immense cloud rose miles high and mushroomed and turned queer colors and spread out until it obscured the sky. The signaler with the blanket sat down and shook his head:

"I wish I had said that," said he.

### Summer book on sweepstakes

CIGAR betting in the National Press Club displays these approximate odds:

Vandenberg will enter by January, 6-5; Taft will lead Dewey in first heat, even money; Warren will not start, 7-3; Ives and Stassen will both enter vice presidential running if only for strategic reasons; a dark horse will win 1-15; Wallace will lead a third party 7-2; in which direction, no betting; Truman will demand a cut in taxes, 7-3.

Caution is advised in reading these odds. They change like chameleons exposed to kaleidoscopes; no one ever remembers yesterday's prices; no one ever pays.

### You never can tell

STUDENTS of American history—he maintains that the breed is not yet extinct—will recall that, in the original articles, the 13 reserved to themselves all rights not expressly granted to the general Government. As no one knew anything



about oil in those days, no oil rights were granted. If the new idea of drilling from a floating platform proves to be practical, the 13 originals are legally free to sink wells all over the Atlantic Ocean. This isn't as absurd as it sounds:

"The three-mile limit was set up as a measure of defense. Three miles was the greatest distance to which the round shot of the good old days could be fired from a ship."

But—proving that Providence has always had a particular care for the Yankees—it would appear that the three-mile limit has been extended indefinitely by the rocket bombs of today. Maybe as far as Barcelona.

### A note on Communism

IT is no longer news that the topnotchers in the Government are more concerned over the economics of the European situation than

over the danger to be apprehended from Communism. The Soviets can force Communism on their own people by duress but our topnotchers believe it will wash out as soon as prosperity returns to the rest of the world. Here is a miniature specimen of the facts on which this reasoning is based:

### A boy in Georgetown

A RUSSIAN boy—16 or thereabouts—was at one time attached to the Russian mission here. In



harmony with the Soviet practice to get everything possible whenever possible he was sent to school in Georgetown. There he became friendly with an American youngster. Now and then he took dinner with the American family or went to the movies with his friend and his sister.

"I cannot be with you any more," he said to his friend one day. "I must account for every minute of my time. I am ordered to check in with the commissar of the building in which I live. I am terribly sorry."

The American boy suggested that he tell the Soviets just where to head in. He said he could get the young Russky a job and he would continue his schooling and stay in this country after he graduated.

"You don't understand," was the reply. "I am afraid. If I tried to do anything like that they'd kill me."

### More American history

THE Spanish have a proverb that "God gives nuts to those who have no teeth," which seems to be particularly applicable to the 13 original states. One of the foremost authorities on oil and the Constitution comments that the recent decision of the Supreme Court may have given the 13 a brand new set of razor-sharp teeth—

"But no nuts," says he.

The High Court ruled that the oil underlying the waters beyond the three-mile limit is the property of the nation and not of the states, which is very hard indeed on such states as California and Texas. The reverberations resulting from this decision will, in his opinion, be heard for years to come.

But he thinks this decision does not apply to the first 13. They are free, in his opinion, to sink oil wells freely from Boston Light to the Grand Bank. Only there isn't any oil.

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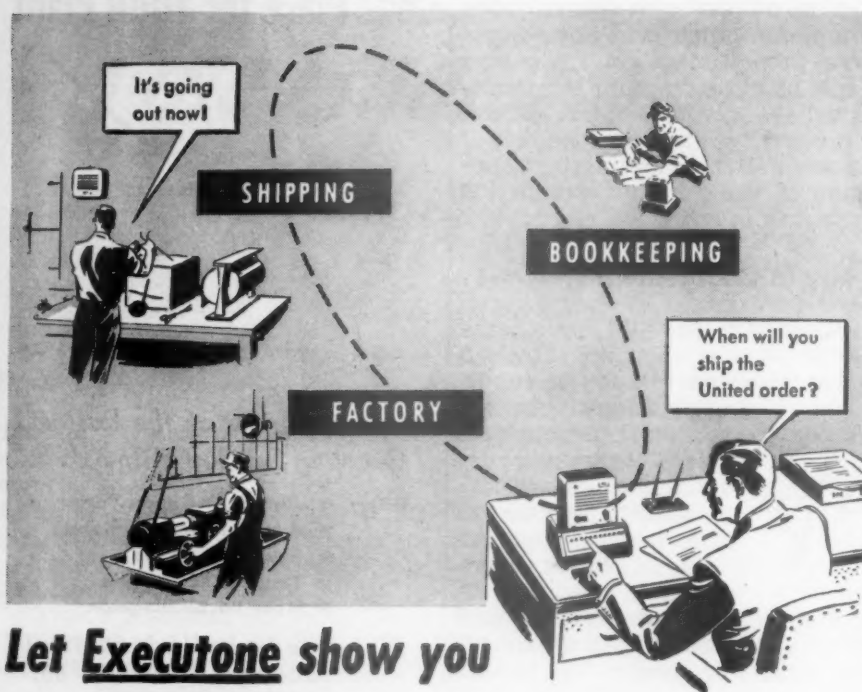
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